

United States  
Circuit Court of Appeals  
For the Ninth Circuit

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DALLAS MACHINE & LOCOMOTIVE  
WORKS, INC., a corporation,  
Appellant,  
vs.

WILLAMETTE-HYSTER COMPANY, a cor-  
poration, and CLARK & WILSON LUMBER  
COMPANY, a corporation,  
Appellees.

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**Appellant's Brief**

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PAUL R. O'BRIEN



## GENERAL OUTLINE

### INTRODUCTORY STATEMENT

and Resume of Facts

- I. The Invention .....pp. 2-20
- II. The Facts as to Infringement.....pp. 21-31
- III. The Alleged Laches and Estoppel. . pp. 32-41

### ARGUMENT

- I. Claim 4 of Plaintiff's Patent is Valid.pp. 42-59
- II. The Appellees Infringed the Plaintiff's Patent .....p. 60
- III. The Defense of Laches and Estoppel is Without Basis.....pp. 61-73

## FACTUAL SUMMARY

	PAGE
Invention deals with straddle-type carriers which have a four-point lifting and lowering mechanism . . . . .	2, 3
Prior art shows only such carrier with cable-operated lifting and lowering mechanism, which was undependable . . . . .	3, 4
The nature of Gerlinger's patented improvement .	5, 6, 7
The Master conceded that positive and uniformly-operated load-lifting and lowering means were originated by Gerlinger . . . . .	8
The Master found that positive load-lifting means included toggle and screw-type mechanism. . . .	29
The prior art may be divided into two groups: Group one—Straddle-type carriers with cable-lift mechanism. (All of these patents were cited by the Patent Office) . . . . .	14, 43
Group Two—Examples of control mechanism provided in platform hoists. (All these patents are substantial and alike in principles of operation. These patents include the Carr patent, No. 1,407,124, which was cited by the Patent Office) . . . . .	15, 43

## FACTUAL SUMMARY—Continued

PAGE

None of the hoist patents suggested the building  
of a straddle-type carrier . . . . . 16, 17, 18, 19

Claim 4 has two novel features . . . . . 46

Analysis of Claim 4 . . . . . 49 to 54

The defense of laches and estoppel is without  
basis . . . . . 39, 40, 61

Infringement of def't. Willamette-Hyster Co.  
consisted of making and selling infringing car-  
riers within the six-year period, some of the sales  
being made shortly before this suit was brought  
and infringement thereafter defiantly continu-  
ing . . . . . 41

Defendant Willamette-Hyster Co. testified mere-  
ly that it sold 300 carriers for \$2,000,000 but  
gave no testimony as to what the equipment was  
which the defendant had to use in order to make  
these carriers or when they were sold, nor what  
they cost in labor and materials. It is to be as-  
sumed that the expense of manufacture were  
fully taken into account in the prices at which  
the 300 carriers were sold . . . . . 38, 39

Defendant Willamette-Hyster Co. began manu-  
facturing infringing carriers on February 15,  
1929 . . . . . 36

## FACTUAL SUMMARY—Continued

### PAGE

Neither Defendant, Willamette-Hyster Co., nor its predecessor claimed any patent rights of their own ..... 36

Defendant, Willamette-Hyster Co. had direct knowledge of pl'ff's. patent through Grab, who was formerly in the employ of plaintiff . . . .21, 22, 37

Defendant, Clark & Wilson Lbr. Co. bought an infringing straddle-type carrier from Willamette-Hyster Co., defendant, on March 18, 1935, a few months before this suit was brought . . . . . 37



## LIST OF ILLUSTRATIONS

AT PAGE

1. Straddle-type carrier and its use . . . . . 2
2. The undependability of *cable*-lifting and lowering mechanism . . . . . 3
3. Gerlinger straddle-type carrier having positively and uniformly actuated lifting and lowering mechanism . . . . . 4
4. Drawings of load-lifting and lowering devices, and automatic control employed in Gerlinger carrier . . . . . 9
5. Platform hoists shown by Dingee and Carr patents, Def'ts. Exhs. 59 and 69 . . . . . 15
6. Fig. 5 of Grab pat. 1,838,939 Pl'ff's. Exh. 47 . . . 22
7. Infringing carrier sold by def't. Willamette-Hyster Co. to def't. Clark & Wilson Co. March 18, 1935, Def'ts. Exh. 56-B . . . . . 23
8. Infringing car sold by def't. Willamette-Hyster Co. to Chambers Lumber Co., Pl'ff's. Exh. 35. 23
9. Drawing 2 of "*Service Manual*" put out by Def't. Willamette-Hyster Co. . . . . 24

## AUTHORITIES CITED

	PAGE
Asten-Hill Ltd. vs. Ayers Ltd. (2d) Dominion Law Reports 1939, page 234 .....	55
Beattie Mfg. Co. vs. Smith, 275 Fed. 164, 172.....	65
Black & Decker Mfg. Co. et al vs. Baltimore Truck Tire Corp., 40 Fed. (2d) 910.....	54
Cluett et al vs. Claflin et al, 30 Fed. 992.....	56
Columbia Graphophone Co. vs. Searchlight Horn Co., 236 Fed. 135, 139 .....	70
Cook vs. Ernest, 6 Fed. Cases, 389.....	56
Diamond Patent Co. vs. S. E. Carr Co., 217 Fed. 400, 407 .....	54
Diamond Rubber Co. vs. Consolidated Co., 220 U. S. 428, 435 .....	57
Drum vs. Turner, 219 Fed. 188, 198.....	67
Gillons et al vs. The Shell Co. et al, 86 Fed. (2d) 600.	68
Hamilton Beach Mfg. Co. vs. P. A. Geier Co., 74 Fed (2d) 992-5 .....	65
Hartford Empire Co. vs. Swindell, 96 Fed. (2d) 227, 233 .....	67
Hobbs vs. Beach, 180 U. S. 383, 393.....	58
Ide vs. Trorlicht et al, 115 Fed. 137, 148.....	64
Imhaeuser vs. Buerk, 101 U. S. 647, <del>to</del> 660.....	56



# AUTHORITIES CITED—Continued

PAGE

Kimball Co. vs. Noesting Pintaker Co., 262 Fed. 148, 150 .....	58
Kittle vs. Hall, 29 Fed. 508 .....	63
Loom Co. vs. Higgins, 105 U. S. 580, 591 .....	57
McLean vs. Fleming, 96 U. S. 245, 253 .....	63
Menendez vs. Holt, 128 U. S. 514, 523 .....	63, 69, 72
Mills Novelty Co. vs. Monarch Tool & Mfg. Co., 49 Fed. (2d) 28 .....	68
Northern Pacific Railway Co. vs. Boyd, 117 Fed. 801, 823 .....	66
Pearl vs. Ocean Mills, No. 10,876, in 19 Fed. Cases, pp. 56, 59 .....	55
Smith et al vs. Woodruff, 22 Fed. Cases, 703 .....	56
<i>Los Alamitos</i> Sugar Co. vs. Carroll, 173 Fed. 280, <sup>283</sup> 284, 285 ( <del>283</del> ) ..	52
Taylor vs. Sawyer, 75 Fed. 301, 303 .....	62, 65
Turrill vs. R. R. Co., 1 Wall, 491, 510 .....	53
Union Sugar Refinery Co. vs. Matthiesen, 24 Fed. Cases, 686, 688 .....	56
Window Glass Machine Co. et al vs. Pittsburgh Plate Glass Co., 284 Fed. 645, 650 .....	67
Woodmanse & Hewitt Mfg. Co. vs. Williams et al, 68 Fed. 489, 492 .....	67



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Appellant's Brief

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INTRODUCTORY STATEMENT

This suit is brought against Appellees (defendants) for their infringement of the patent granted to Carl F. Gerlinger, May 29, 1923, No. 1457,025, a model of which may be seen in Pl'ff's. Ex. 13 (Tr. 216), on an improvement in Lumber Carrier of the straddle-type. The Appellant (plaintiff) corporation is the assignee of this patent; and the patentee, Mr. Gerlinger, is the president of the plaintiff corporation.

The defenses were:

I. That the invention was anticipated by prior art and the patent claim sued on is invalid;

II. That in order to sustain the claim, at all, it must be narrowed by construction, and when so construed the defendants do not infringe;

III. That the plaintiff's delay in instituting suit on this patent shows it to have been guilty of such laches that it must be barred from all relief.

The statement of the facts, and the argument thereon will be given in the same order.

The trial of the case was referred by the court to the Standing Master who reported in favor of defendants on all three defenses; and the District Court confirmed the Master's report, overruling plaintiff's exceptions.

Appellant's contention is that the proofs refute all of the defenses.

\* \* \* \* \*

(Note: The copies of patents and reproductions of pictorial and other Exhibits are contained in Volume III of the Transcript of Record entitled Book of Exhibits).

\* \* \* \* \*

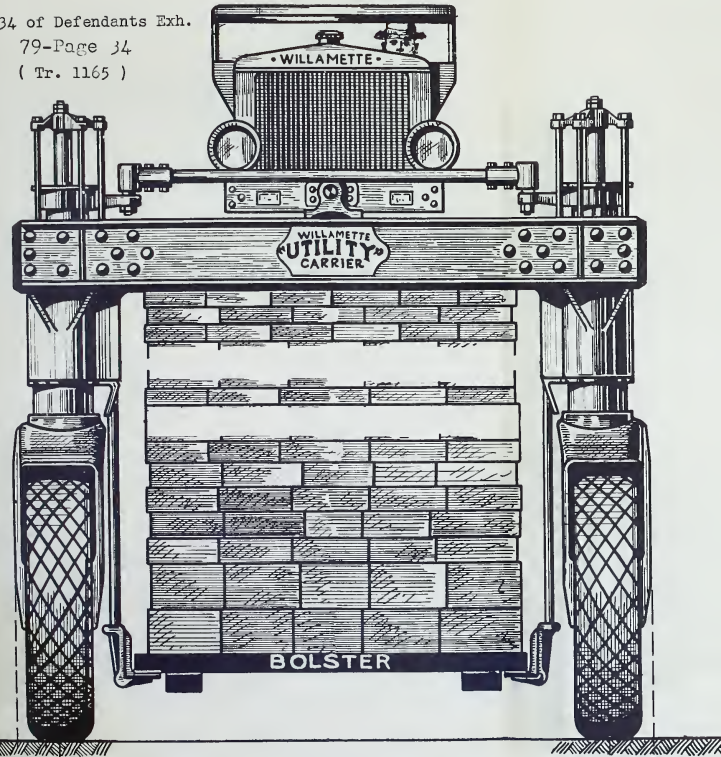
## THE INVENTION DEALS WITH STRADDLE-TYPE CARRIERS

This name designates a carrier having tall, wheel-mounted legs, adapted to *straddle* the load to be picked up and carried.

The operation of these carriers is illustrated by the following drawings, copies of Exhibits in the case.

A schematic end view of a straddle-type carrier with load of lumber.

Page 34 of Defendants Exh.  
79-Page 34  
( Tr. 1165 )



Showing operation of straddle-type lumber carrier picking up stacked load in lumber yard.

*Bolster*







## THE PRIOR ART

The earliest construction of a straddle-type carrier is shown by the patent to H. B. Ross, issued December 16, 1916, No. 1,209,209 on an application filed May 11, 1914; Plaintiff's Exhibit 1-A; also Defendants' Exhibit 78. (See Tr. 1203).

*These straddle-type carriers have a four-point lifting and lowering mechanism including "shoes" that slide in vertical guideways on the inner sides of the four, tall, load-straddling legs of the carrier, and these shoes pick up and carry the load. The load to be picked up is stacked above the ground on a suitable support, usually on "bolsters" as shown in the Exhibits above given, so that the shoes can grasp the ends of the supports and in that way pick up the load.* *The shoes were suspended by four pendent cables, and lifted and lowered by simultaneous winding, or unwinding of the cables.*

*This arrangement was undependable.* The shoes were not operated positively nor uniformly.

Mr. Gerlinger testified: (Tr. 184)—

*"Their shoes are lowered by gravity, and very often splinters get in between the shoe and the guideways and the cable would unwind and the shoe wouldn't lower, and in winter months with snow and ice, it was practically impossible to operate them."*

If the shoes were not properly lowered in unison they could not of course grasp the bolsters on which the load is stacked, and hence could not pick up the load.

The unwinding of a shoe-carrying cable with one of the shoes sticking in its guideway is graphically illustrated by dotted outline in the following drawing, based on Figure 2 of said Ross patent, No. 1,209,209. (Tr. 1203).



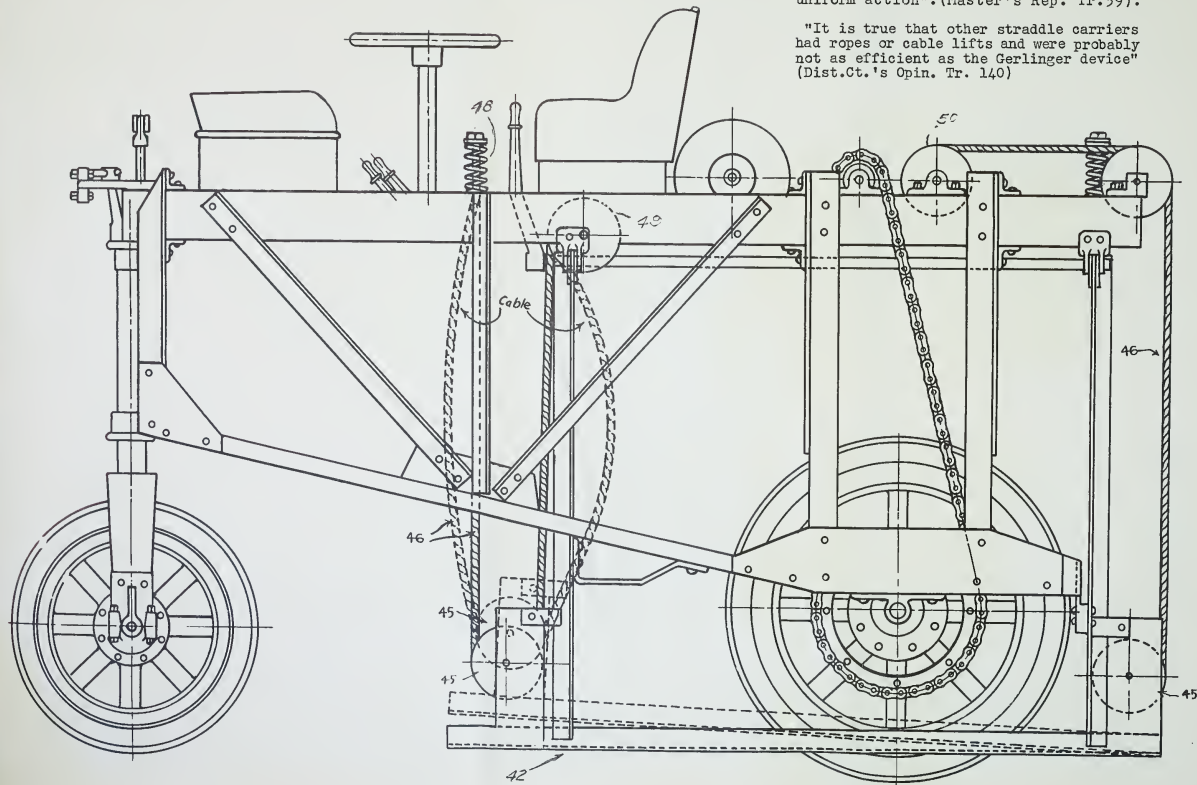
Figure 2 of prior Ross straddle type carrier, Patent No.1,209,209, dated December 19,1916; Pl'ff's.Exh.1-A and Der'gts. Exh.78, ( Tr.1204 ).

- 42 - Lifting shoes
- 45 - Grooved pulleys
- 46 - Cable
- 48 - Spring
- 49 - Guide pulley
- 50 - Drum

"Their shoes are lowered by gravity and very often splinters get in between the shoes and the guideways and the cables would unwind and the shoe wouldn't lower and in winter months with snow and ice it was practically impossible to operate them." ( Gerlingers Testimony,Tr.184).

"The cable did not give a positive and uniform action".(Master's Rep. Tr.59).

"It is true that other straddle carriers had ropes or cable lifts and were probably not as efficient as the Gerlinger device" (Dist.Ct.'s Opin. Tr. 140)





In addition to the patent taken out by Ross in December 19, 1916, above referred to, Ross took out a second patent on straddle-type carriers issued July 9, 1918, No. 1,271,947 (Exh. 1-B Tr. 816).

This patent again shows the use of *cable-operated* load-lifting and lowering shoes.

Next, William S. Overlin took out a patent on straddle-type carriers, dated December 31, 1918, No. 1,289,529 (Exh. 1-C, Tr. 826), and Overlin obtained a further patent on straddle-type carriers August 10, 1920, No. 1,349,292, (Exh. 1-D Tr. 838). Both these Overlin patents show the use of *cable-operated* load-lifting and lowering mechanism.

Mr. Gerlinger, observing the inefficiency of the cable-operated load-lifting and lowering mechanism in straddle-type carrier, conceived his improvement. This consisted in eliminating the undependable, cable-operated mechanism and providing in place thereof mechanism which operated *positively and uniformly* at the four points—the legs—of the carrier.

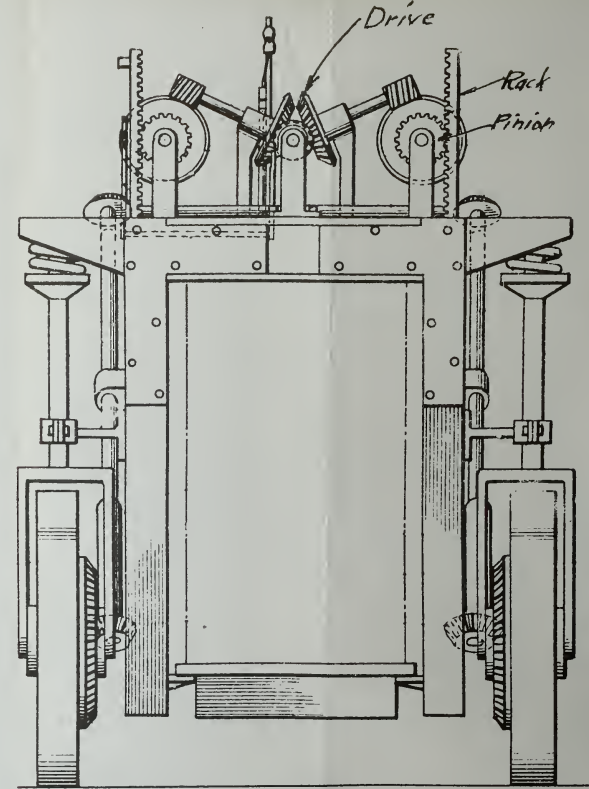
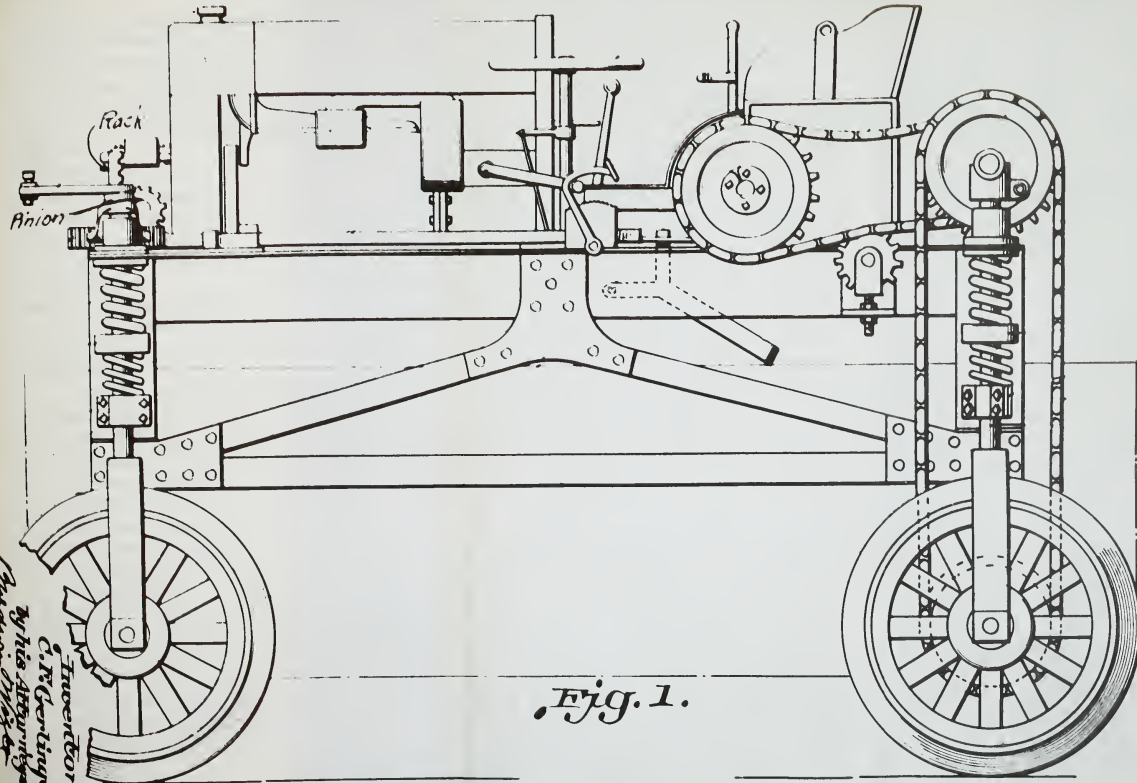
Gerlinger carried his conception into practice by the employment of *rack-and-pinion* mechanism operated by worm gear. This feature, the nucleus of Gerlinger's improvement, is illustrated by the following drawing, being Fig. 1 of the drawings of the patent in suit (No. 1,457,025) and Fig. 5 of Gerlinger's first patent No. 1,422,958, (Pl'ff's. Exh. 1, Tr. 805) co-pending with the application for the patent in suit, and referred to therein, the patent in suit describing a later improvement:





Figure No. 1 of Gerlinger patent in suit, (No. 1,457,025). (Tr.849)

Figure No. 5 of Gerlinger patent No. 1,422,958,  
dated July 18, 1922, referred to in and upon which  
the patent in suit was an improvement. (Tr.812)





Gerlinger's conception of a four-point *positive and uniform* load-lifting and lowering mechanism included his further perception of the need of an *automatic control for limiting the movement of the load in either direction*, so as to prevent injury to the mechanism; and Gerlinger's first patent included this control mechanism (Tr. 185).

In May, 1921, Gerlinger built his first straddle-type Lumber Carrier embodying his improvements as then conceived, which carrier was completed in July, 1921. (Ib. 186)

On August 30, 1921, Gerlinger filed the application for patent on his improvements, as then developed, which application matured into his said first patent, No. 1,422,958, issued July 18, 1922. (Exh. 1)

The introduction of the specification of this earlier patent, stated as Mr. Gerlinger's objectives:—

*"Instead of employing ropes or cable for operating the lifting shoes, I employ shafts and gearing of substantial and reliable construction and which are controlled by clutch mechanism, in turn controlled by suitable levers"* (Specif. 1 line 33), and

*"Automatic devices are employed for stopping the elevating mechanism and for releasing the load when desired. Automatic devices are also employed for stopping the descent of the elevating devices when lowered."*

By reference to Claims 5 and 6 of this patent, it will be seen that Claim 5 describes a combination comprising—

*"lifting shoes, vertically moveable rack bars with which they are connected, operable connections between the rack bars and the engine for both raising and lowering the shoes, and automatic devices for*

*disconnecting the rack bars from the engine when the shoes have been lowered to a predetermined extent."*

And Claim 6 covers a similar combination but described specifically—

*"devices for automatically shifting the gearing (connecting the rack-bars with the engine) to arrest the upward movement of the rack bars when the shoes have been raised to a predetermined position."*

Gerlinger's first straddle-type carrier, completed July, 1921, was tried out in the yard of the Willamette Valley Lumber Company at Dallas, Oregon. In such trial, Gerlinger observed that the load carried by the carrier tended to settle, due to the vibration set up in the travel of the carrier; such settling being perceptible even in running the carrier across the lumber yard (Ib. 187).

Mr. Gerlinger then rebuilt this *first* straddle-type carrier and included a brake in the control element of his load-lifting and lowering mechanism, to hold the load against settling (Tr. 187, 188). This was in September, 1921 (Tr. 189). Mr. Gerlinger's application for his said first patent, No. 1,422,958 had then already been filed, August 30, 1921).

The application for the patent in suit (Exh. 2, Tr. 852) was filed March 30, 1922, and was issued May 29, 1923; thus while Mr. Gerlinger's application for his earlier patent No. 1,422,958, issued July 18, 1922, was still pending.

The specification of the patent in suit states (page 1, line 12) that the invention—

*"is an improvement upon my patent No. 1,422,958, July 18, 1922,"* (referring to Gerlinger's earlier patent.)



The specification further states:

“An object of the invention is to provide an *improved form of lifting device that will have four lifting points that lift positively and in unison.*”

“Another object is to provide a form of *automatic stop for the lifting device that will operate when the limited movement in either direction is reached, and also apply a brake mechanism.*”

Infringement of *Claim 4* alone of this patent is charged. This claim describes a combination composed of the following elements:

“A lumber carrier comprising,

1. a frame,
2. load-lifting means mounted *therein*,
3. means for transmitting motion from a source of power to the load-lifting means comprising a clutch that can be set in neutral position or to cause the load-lifting means to move *in either direction*,
4. means for manually moving the clutch to operative position,
5. automatic means for moving the clutch to neutral position upon a movement of the load-lifting means to a predetermined extent in *either direction*,
6. means for braking the transmitting means whenever the clutch is moved to neutral position.”

The Master in his Report recapitulated the facts regarding Mr. Gerlinger's improvements of straddle-type carriers as follows: (Tr. 59)

“These carriers, used originally and principally for the purpose of picking up and transporting

piles of lumber in the carrier stages of development *utilized a cable or chain lift*. Defects were discovered, in that *the cable did not give a positive and uniform lift*. The next method of lifting means adopted was *rackbars and pinions* driven from the power plant of the machine. *Gerlinger claims to have been the originator of this kind of a hoist as adapted to a straddle-type lumber carrier*.

(Further on in his Report (Tr. 76), the Master said,

“2-a. *Load-lifting means mounted therein, having four lifting points that lift positively and in unison (which he may well have been the first to conceive.)*”)

“In use it was found that, while the lift was positive and uniform, considerable care was required on the part of the operator manually to disconnect the power from the lifting mechanism when the load had reached the proper height, and that in the course of travel, vibration of the machine and other factors tended to cause the mechanism to settle to such an extent that sufficient clearance did not exist between the bottom of the load and the ground.”

“The problem to which the patentee claims to have addressed himself was the development of means whereby, when the load was lifted, the hoisting mechanism would be stopped automatically at the desired point, the power disconnected therefrom, and the brake applied so as to prevent the settling of the load; and, further that when the



hoisting machine was reversed for the purpose of picking up a load the action would be automatically stopped at a desired point, the power again disconnected and the brake applied; all this without action on the part of the operator."

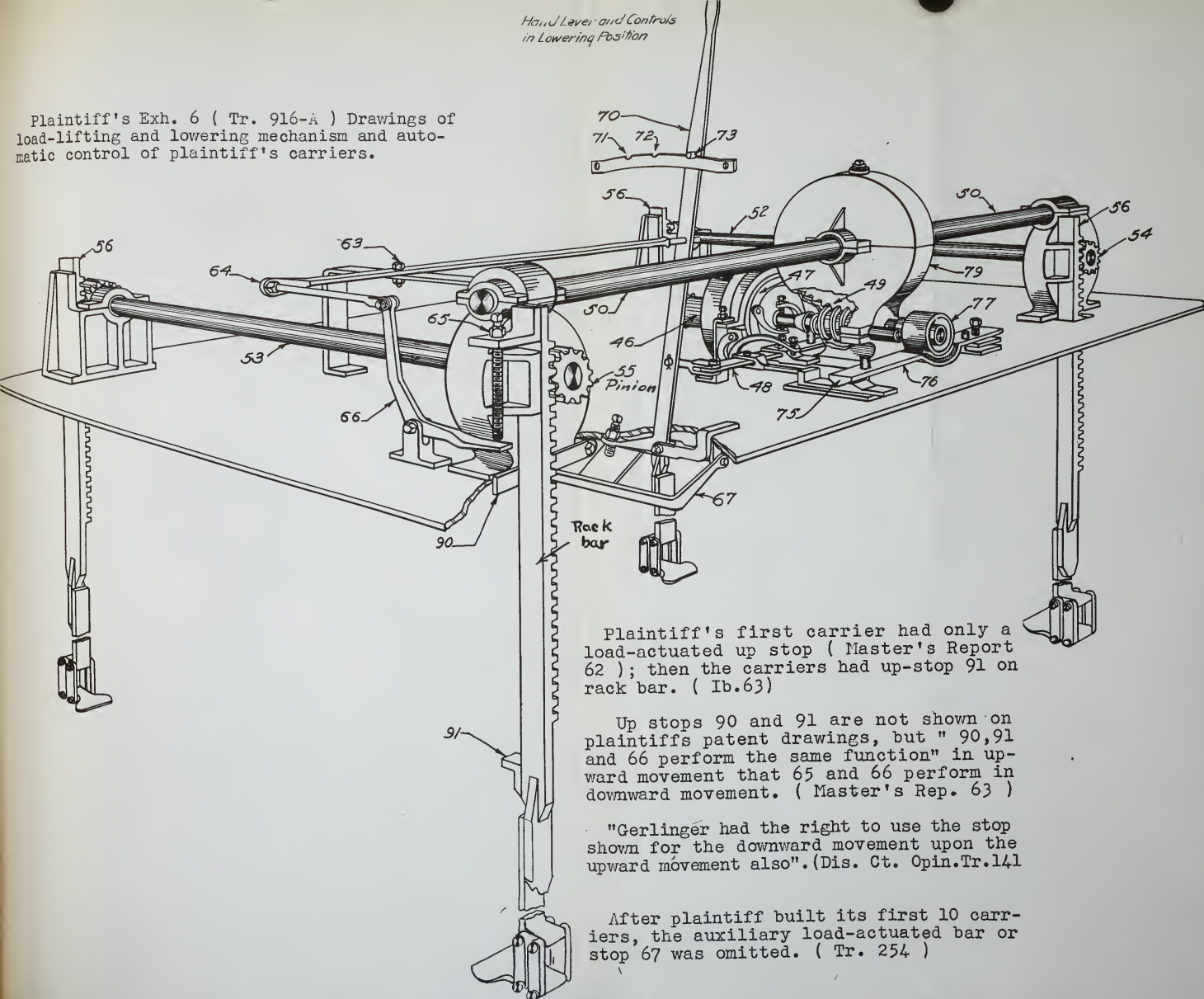
In Gerlinger's first-built carrier, the means for limiting the down movement of the load-carrying shoes were actuated by the movement of the rack-bars, while the devices employed for limiting the up-movement of the shoes were arranged to be operated by the load carried by the carrier, consisting of a hinged bar 67 (see Fig. 3 of patent drawing) which was contacted by the load carried when lifted to a predetermined height.

The first *rebuilt* improved straddle-type carrier was sold by plaintiff to the Willamette Valley Lumber Company October, 1921 (Ib. 192, 193.) But this construction was not found practical.

The plaintiff then built three more of these carriers; the second and third carrier being completed and sold about February 1, 1922, to Cobb-Mitchell at Valsetz, Oregon (Tr. 398, 399) and the fourth about April 1, 1922. In each of the later carriers the *devices controlling the up-movement of the load were rearranged so as to be operated by the up-movement of the rack bars, in just the same manner as by their down movement* (Tr. 195, 198).

A drawing of the load-lifting and lowering devices and automatic control contained in plaintiff's No. 2 and 3, and the succeeding 7 carriers is shown by Exh. No. 6 (Tr. 916-A), a copy of which drawing is here given.

Plaintiff's Exh. 6 ( Tr. 916-A ) Drawings of  
load-lifting and lowering mechanism and auto-  
matic control of plaintiff's carriers.



Plaintiff's first carrier had only a  
load-actuated up stop ( Master's Report  
62 ); then the carriers had up-stop 91 on  
rack bar. ( Ib.63)

Up stops 90 and 91 are not shown on  
plaintiff's patent drawings, but " 90,91  
and 66 perform the same function" in up-  
ward movement that 65 and 66 perform in  
downward movement. ( Master's Rep. 63 )

"Gerlinger had the right to use the stop  
shown for the downward movement upon the  
upward movement also".(Dis. Ct. Opin.Tr.141

After plaintiff built its first 10 carr-  
iers, the auxiliary load-actuated bar or  
stop 67 was omitted. ( Tr. 254 )



The drawing, Exh. 6 was made by Henry Noel Dimick from a set-up of the load-lifting and lowering devices, and control mechanism, as contained in plaintiff's second, third, and fourth straddle-type carriers.

A photo of this set-up is shown by Pl'ff's. Exh. 31 (Tr. 362).

Explaining Exh. 6, witness Dimick testified:

The driver of the carrier by pulling operating lever 70 towards him engages clutch 47, releases brake-bar 76 from brake wheel 77, and connects the engine to shaft 50, causing the latter to rotate the pinions 55 so as to raise the rack-bars 56. A contact member 91 is fastened on one bar-back; and as the latter is moved up to a predetermined height contact member 91 will engage lever 90 and cause the latter to rock bell-crank 66 so as to throw the lever 70 in the central or neutral notch 72; and bar 48, being connected to operating lever 70, the movement of the latter to neutral position will lift the brake-bar 76 and apply the brake to brake wheel 77.

In order to cause the rack-bars 56 to be moved down, the driver would push operating lever 70 from him, thereby also moving the bar 48 so as to release the brake-bar 76 from brake-wheel 77. The shaft 50 will then be rotated to cause the lowering of the rack bars. In this lowering movement when the predetermined lower level is reached, the set screw 65, fastened to the upper end of the rack-bar above an arm of bell crank 66, will contact and rock the latter, which action, through lever 64, will return operating lever to neutral position, thus disengaging the clutch and applying the brake. (Tr. 370-3)

The Master recapitulating these facts in his Report (Tr. 62) said:—

“The plaintiff and the patentee built one machine containing a load-actuated upward movement stop bar (No. 67). *It had defects which in actual operation became obvious.* If the load was not of sufficient height to engage bar 67 by the time the rack-bars had reached the end of their normal travel, or if the load was not properly distributed on the lift, bar 67 would not operate and the hoist mechanism would be subject to damage, due to upward movement beyond the designed range, thus either stripping the pinion or the rack teeth.

“This the patentee and his assignee corrected by eliminating bar 67 and *placing the upward movement stop on the rack bar.* *Exh. 6 shows the new means* which Gerlinger adopted to govern upward movement. No. 91 on the rack-bar engaged element No. 90 which in turn engaged bell crank No. 66. *The action of Nos. 90, 91 and 66 performed the same function with regard to upward movement of the hoist that Nos. 65 and 66 performed in the downward movement.*” \* \* \*

\* \* \* \* \*

(Note: An error in the Master’s statement in this connection must be called to attention: He said, (Tr. 63)

“Nos. 90 and 91 will not be found in the drawings and specification of the patent, inasmuch as they were adopted *after* the application had been filed”.

In such statement the Master is in error, as above stated, *the carriers Nos. 2 and 3*, having the means



for controlling the *lifting* of the load *rearranged* so as to *be operated by the movement of the rack bars in the same way as by the lowering of the load, were built in Feb. 1922*, (Tr. 398). The application for the patent in suit was not filed until March 30, 1922.

\* \* \* \* \*

Exh. 6 shows *two* independent devices for controlling the upward movement of the rack-bars, as appears from the following questions the Master asked of witness Dimick, (Tr. 367):—

“Well, if 90, when it makes an upward movement, strikes 91, engaging with the bell crank, then thereby shifting the lever 70 in neutral, what function does 67 play?

A. \* \* \* This mechanism here is provided in order “to protect the lifting mechanism, provided the driver didn’t have a load in the carrier or had a load that wasn’t of sufficient height to come up and strike this lever bar 67 before the racks had reached the limit of their travel, which would be determined by the number of teeth on the rack.”

“The Master: May I ask another question there, Mr. Dimick. Is the relation of 90 to the rack such that when the load is on, a full load, the top of the load would engage 67 before 90 engages 91?

A. A full load would engage 67 before 91 would engage 90.”

Up to 1923 plaintiff built 10 carriers which had the two independent devices controlling the up-movement of the load.

After 1923, no more carriers, were built which had the load-operated control bar 67. (Ib. 227)



In 1923 plaintiff began making hydraulic lift carriers, on which Mr. Gerlinger had also obtained a patent, No. 1,480,257, dated January 8, 1924 (Tr. 228) Defendants' Exh. 14 (Tr. 923). Mr. Gerlinger believed these hydraulic carriers to be superior. (Tr. 233); but they did not prove satisfactory. The piping carrying the fluid through the hydraulically-operated mechanism was "subject to leaks and would leak oil out on the frame and other parts of the machine; it would drip on and damage lumber," and in many instances drivers of these carriers were incompetent to keep these hydraulic carriers operating satisfactorily. (Tr. 389).

In 1928, plaintiff discontinued making hydraulic carriers and resumed making mechanical lift carriers, described by the patent in suit exclusively (Tr. 228). Up to the date of trial, Nov. 23, 1936 (Tr. 178) the plaintiff had sold 95 more of these carriers. They were designated on the books of plaintiff as "RPF"—"Rack-and-pinion lift" as testified by Ballantyne, Secretary-Treasurer of plaintiff (Tr. 400) and shown by plaintiff's sales sheet Exh. 45. (Ib. 483 and 953). The first delivery of the RPF carriers, after plaintiff resumed making them was March 5, 1929, (Tr. 481).

The answer sets up prior invention by G. A. Grab at Portland, Oregon, H. B. Ross at Benton Harbor, Michigan, and Henry Hartwig at Sandy, Oregon, (Tr. 24).

In response to plaintiff's demand for further particulars as to these alleged prior inventors, defendants stated they would not "rely at the trial upon prior invention by G. A. Grab or Henry Hartwig", but alleged prior invention by H. B. Ross at Benton Harbor, Michigan in or about 1919, (Tr. 35). In answer to

plaintiff's interrogatory No. 1, defendants corrected the year of alleged prior invention of H. B. Ross from 1919 to 1921 (Tr. 47). Ross was not called nor his deposition taken. The only evidence introduced by defendants as to Ross was that he sold two straddle-type carriers in principle of operation the same as plaintiff's patent in *September 15, 1923* to defendant Clark & Wilson Lumber Company (Tr. 562).

*The contention of defendants* was that plaintiff's patent is invalid, because elevators or hoists, and front-end lift trucks, also lift and lower the load positively and uniformly, and the prior art in connection with these hoists shows automatic control for the movement of the load up or down, and the application of a brake when the predetermined limit of movement is reached.

*The plaintiff's answer to this contention* is, a platform hoist, stationary or mounted on a truck, is raised and lowered AS A UNIT. In a straddle-type carrier, however, the lifting and lowering force has to be applied at four spaced points, independently, and to obtain efficient action the force must be applied POSITIVELY AND UNIFORMLY at the four points. Without this the load-carrying shoes often stuck in lowering, and the load could not be picked up, as testified by Mr. Gerlinger (Tr. 184).

The defendants, to sustain their contention, pointed to the patent issued to Ross, on straddle-type carrier, December 19, 1916, No. 1,209,209 already referred, (Plff's. Exh. 1-A, which the defendants also introduced as their Exh. 78).

The defendants further introduced *all the patents cited by the Examiner of the Patent Office* in passing on and allowing the application for the patent in suit—

15 in number—, as a group of Exhibits, identified as a whole as Defendants' Exh. 57. (Tr. 573; See Index of Defendants' (Respondents') Exhibits in Volume VIII d for the list of these patents).

Defendants further introduced the following *patents because showing automatic control mechanism, including a brake, as used in Elevators and platform or front-end lift trucks, viz:*

Dingee No. 414,380, dated November 5, 1889, showing a Stationary Elevator or Hoist (Exh. 59, Tr. 620, copy 1104)

Nicholson, No. 1,340,458, dated May 18, 1920, Portable Freight Stacking Elevator (Exh. 62, Tr. 632, copy 1114)

French & Pavey, No. 1,360,917, dated Nov. 30, 1928, Elevating and Conveying Apparatus (Exh. 64, Tr. 644, copy 1122)

Towson & Cochran, No. 1,337,804, dated Apr. 20, 1920, Industrial Truck (Exh. 66, Tr. 656, copy 1130)

Cochran No. 1,260,145, dated Mar. 19, 1918, Industrial Truck (Exh. 68, Tr. 662, copy 1140)

Carr patent No. 1,407,124, dated Feb. 21, 1922, Elevator Truck (Exh. 69, Tr. 665, copy 1152).

The defendants further introduced a working model of the Dingee patent, (Exh. 61, Tr. 627), as illustrating in a general way the operation of the hoists described by the last-mentioned patents.

Drawings of the Dingee patent and of the Carr patents, illustrating their operation are here given.



Fig. 1 of Dingee patent No. 414,380,  
dated November 5, 1889, Elevator, ( Def'ts  
Exh. 59, Tr. 1104 ).

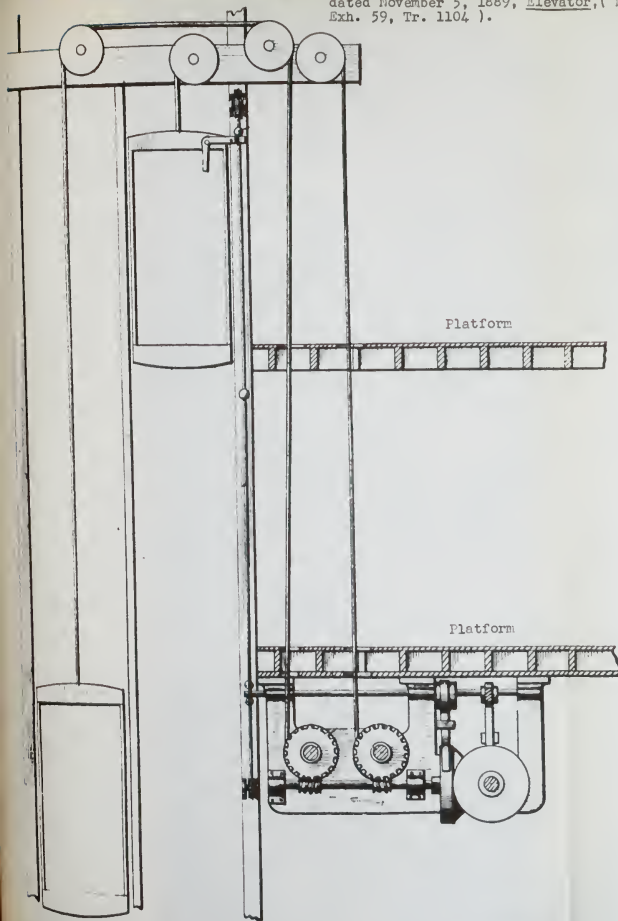
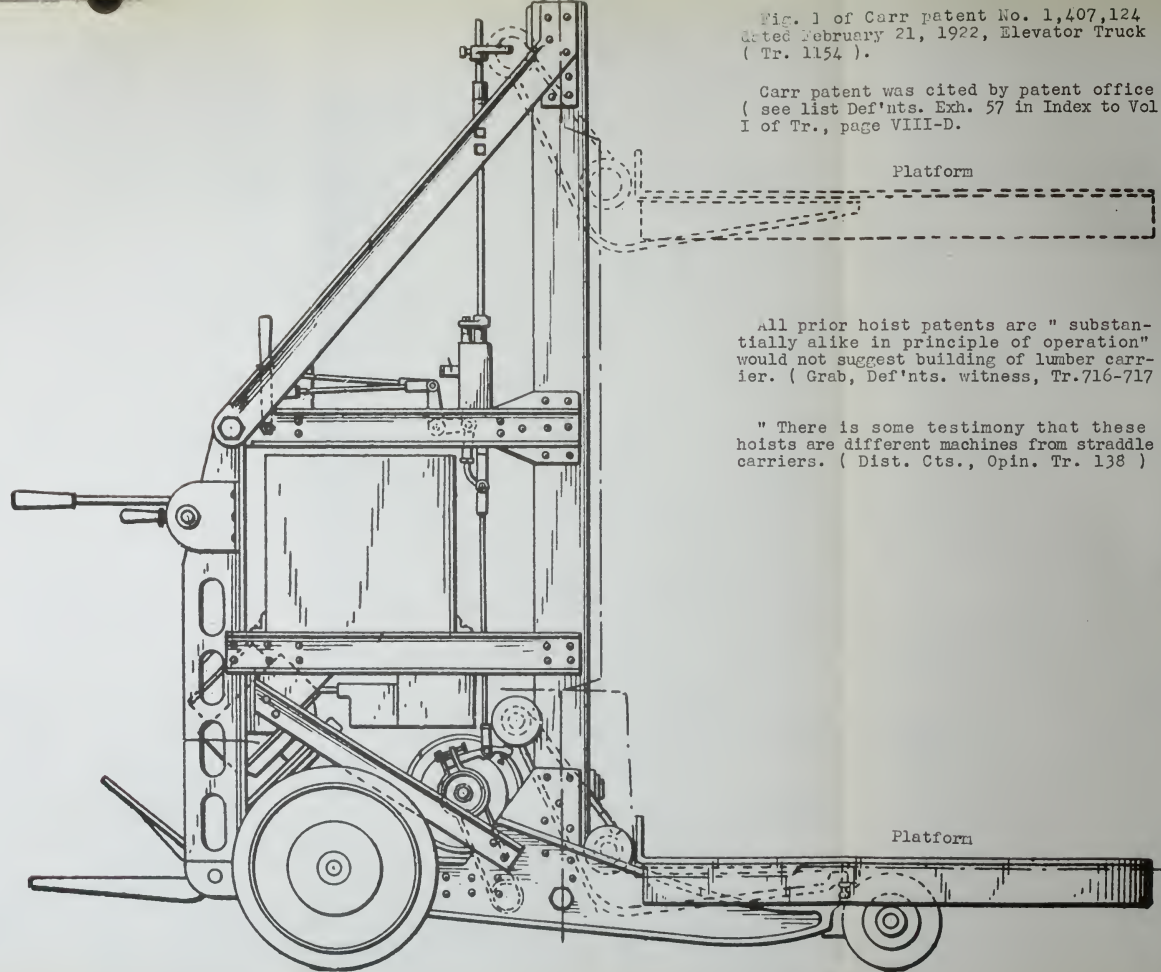


Fig. 1 of Carr patent No. 1,407,124  
dated February 21, 1922, Elevator Truck  
( Tr. 1154 ).

Carr patent was cited by patent office  
( see list Def'ts. Exh. 57 in Index to Vol  
I of Tr., page VIII-D.



All prior hoist patents are " substan-  
tially alike in principle of operation"  
would not suggest building of lumber carr-  
ier. ( Grab, Def'ts. witness, Tr.716-717

" There is some testimony that these  
hoists are different machines from straddle  
carriers. ( Dist. Cts., Opin. Tr. 138 )





The patent to Dingee shows an Elevator and the patent to Carr shows an Elevator Truck.

*The Carr patent, No. 1,407,124, Exh. 69 (see copy in Tr. p. 1152) was among those cited by the Examiner of the Patent Office.*

Concerning these patents, defendants witness, Mr. Grab,—Manager of the Carrier department of defendant, Willamette-Hyster Company (Tr. 575), formerly in the employ of Plaintiff (Tr. 576)—to whom the Master referred in his Report, (Tr. 82, 83) as having “*some feeling of hostility*” toward Mr. Gerlinger, and as being “*a highly interested witness*”——.

on cross-examination said:

“Q. Taking all these patents which we have referred to, Dingee, Def’nts. Exh. 59; Nicholson, Def’nts. Exh. 62; French & Pavey, Def’nts. 64; Towson & Cochran, Def’nts. 66; Cochran, Def’nts. 68; and Carr, Def’nts. 69; *all of them show examples of wheel-mounted hoist and are substantially alike in principles of operation?*

A. Yes.

Q. None of them would suggest the building of a lumber carrier if you did not have a lumber carrier in mind, is that right?

A. No.

Q. If you did not have a lumber carrier in mind, it would not suggest the building of a lumber carrier?

A. No.

Q. *All they might suggest to you is the building of some kind of a truck for lifting the load regardless of what is to be lifted, is that right?*

A. Yes, if I had the building of such a truck in mind. (Tr. 716-717)."

Mr. Grab made the same statements when previously cross-examined as to each of these hoist patents separately.

*John Dickson, master mechanic of the Spokane, Portland & Seattle Railroad, called as an expert by plaintiff testified:— (Tr. 765) That he is familiar with the Carr patent, Def'nts. Exh. 69.*

"Q. You may state whether or not in your opinion, this Carr patent gives any suggestions as to how a straddle-type of lumber carrier with lift controls may be built?

A. I would say it does not.

Q. Have you any reason to advance for your opinion?

A. For one thing, it *lifts only at one end* while a *straddle-type lumber carrier must lift on all four points.* \* \* \*

"Q. You may state whether or not in your opinion there is any similarity between a straddle-type lumber carrier and a wheel-mounted elevator?

A. I do not consider there is any similarity.

Q. Now having reference to the devices which are described in the Carr patent for the control in an automatic manner of the load-lifting devices so as to stop them at predetermined elevations in the up or down movement, apply a brake, you may

state whether or not in your opinion the devices which are shown there in the Carr patent could be carried over into the building of a lumber carrier.

A. Well, I would say as they are in here they would have to be changed considerably before they could be used for that purpose. \* \* \*” (Tr. 769-770)

Changes, obviously had to be made in the old straddle-type carrier in order to eliminate the inefficient cable-operated mechanism and put in place thereof, positive mechanism (e.g.) rack bars uniformly actuated at the four independent load-lifting and lowering points, and further to incorporate in this mechanism automatic means controlling the movement of the rack bars, and a brake automatically applied to hold the shoes while at rest.

William H. Paul, Assistant Professor of Mechanics, in Oregon State College, another expert called by plaintiff testified:—That he is familiar with the Carr patents, Def’ts. Exh. 69, and with straddle-type lumber carriers.

“Q. State whether or not you are familiar with the classification of machinery?

A. Yes, in engineering, I have a good deal to do with classification of all types of machinery. \* \* \*

Q. State whether or not in your opinion Lumber Carriers of the straddle-type and elevator trucks or wheel-mounted hoist of the Carr type belong to the same classifications?

A. I consider them two types of machines in a different machine classification.” (Tr. 779-785).

The testimony of the witnesses, however, apparently, did not convince the Master. He gave the question of invention his own speculative analysis. He said in his report,—(Ib. 70)

“The man who conceived the idea of a self-propelled truck equipped with a hoist that would pick up a load *within* the frame members, *displayed inventive genius* of a high order”, (Tr. 70).

But in the improvement of these carriers, so as to render them efficient, the Master could not *see invention*. He said (Tr. 73):—

“The Master, however, can conceive no difference in the problem which would arise in a carrier having four lifting points and one having a lesser number provided positive means of lifting are used. Nor is it clear that any different problem arises when the load is carried within the frame members—(referring to the load-spanning legs of a straddle-type carrier)—from that which exists when the load is carried at the end of the frame members.”

Nevertheless, it is to be noted that Mr. Gerlinger received the tribute of immediate adoption from *H. B. Ross—who took out the earliest patent*—No. 1,209,209, dated Dec. 19, 1916 (copy p. 1903)—to whose cable-operated straddle-type carrier the Master referred as displaying “*inventive genius of a high order*”—. Ross had had the undependable working of the cable-operated mechanism before him for seven years—before Mr. Gerlinger entered the field, (Ross filed his application for patent in 1914, but did not conceive the necessary improvement. In 1923 shortly after the plaintiff’s



patent issued, Ross sold one of his straddle-type carriers to Clark & Wilson Lbr. Co. *reconstructed* to contain the combination described by Claim B, & C, (Tr. 430, page 942).

The plaintiff duly excepted to the statements in the Master's Report with regard to his findings that Claim 4 does not describe a patentable combination: (Tr. 88). But the District Court overruled plaintiff's exceptions and adopted the report of the Master.

In its opinion, the District Court however, stated:

"It is true that other straddle-type carriers had ropes or cable lifts and were probably not as efficient as the Gerlinger device. (Tr. 140).

"The Gerlinger device does contain a *four-point lift positively actuated*. (Tr. 134).

"There is some testimony that *these devices (referring to platform or front-end lifts) are different machines from straddle-type carriers.*" (Tr. 138).

And the District Court's final conclusion was that it is "*inconceivable*" that what Mr. Gerlinger did to improve and render the old cable-lift straddle-type carrier efficient constituted invention. (Tr. 138)

Discussion of this subject will be continued under ARGUMENT, Section I.



## II.

## THE FACTS AS TO INFRINGEMENT.

*The infringement by defendant Willamette-Hyster Company was deliberate.*

Gustav A. Grab, the manager of defendant Willamette-Hyster Company's Carrier Department (Tr. 575) was in the employ of plaintiff during the development of Mr. Gerlinger's improvement in straddle-type carriers. Mr. Grab was discharged January 1, 1926 (Ib. 754). He immediately obtained employment with the Willamette Iron & Steel Company (Master's Report, Tr. 82). The latter corporation sold out its carrier business to Willamette - Ersted Company (Tr. 595)—formerly the corporate name of the defendant Willamette-Hyster Company, in whose employ Grab continued to the date of the trial.

Beginning September, 1926, Grab designed a straddle-type carrier for the Willamette Iron & Steel Company (Ib. 595). No Exhibit showing the construction of a carrier which Grab designed was introduced. He testified that it was substantially the same as shown by the photos defendant's Exhibits 56-A and 56-B (Tr. 595, copies of which will be found in Tr. at pp 1011-1012) which are photos of straddle-type carriers sold by defendant Willamette-Hyster Company to defendant Clark & Wilson Lumber Company about March 17, 1935.

Grab applied for a patent on his design. He filed his application July 23, 1927, substituting this application by another filed May 26, 1930, as shown by the caption

of his patent No. 1,838,939, dated December 29, 1931, plaintiff's Exh. 47 (Tr. 511, a copy of patent will be found at Tr. p. 965).

This patent Grab assigned by mesne assignments to defendant Willamette-Hyster Company. (Tr. 974)

The file wrapper on this patent (Exhibit 51, Tr. 520, copy 974) shows that Grab solicited the following claim:

"8. In a traversing hoist, the combination of a wheeled frame having a load-lifting mechanism provided with a reversible friction drive thereon; an upper limit stop having connections to said friction drive whereby the lifting action shall be stopped when said lifting mechanism has reached its uppermost limit *without a load*." (Tr. 987)

The Examiner in Patent Office Action of January 9, 1931, said:

"Claims 8-11 are rejected as involving no invention over Gerlinger's 1,422,958." (Tr. 990)

(This Gerlinger patent on which said proposed claim 8 was rejected was granted on an application co-pending with the patent in suit. It described positive and uniformly-acting load-lifting and lowering mechanism, but did not include a brake, the necessity for which was later perceived; this brake is included in the combination stated by Claim 4 of patent in suit).

In acquiescence with the Examiner's ruling, said proposed Claim 8 was cancelled (Tr. 998).

A copy of Sheet 2 bearing Figure 5 of Grab's patent drawing is here given.



Dec. 29, 1931.

G. A. GRAB

1,838,939

LIFTING MECHANISM FOR TRAVERSING HOISTS

Original Filed July 23, 1927

3 Sheets-Sheet 2

FIG. 6

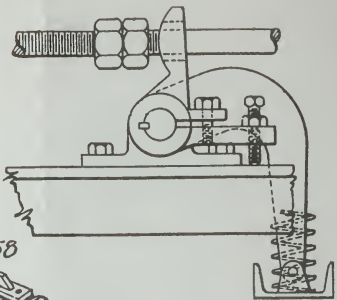
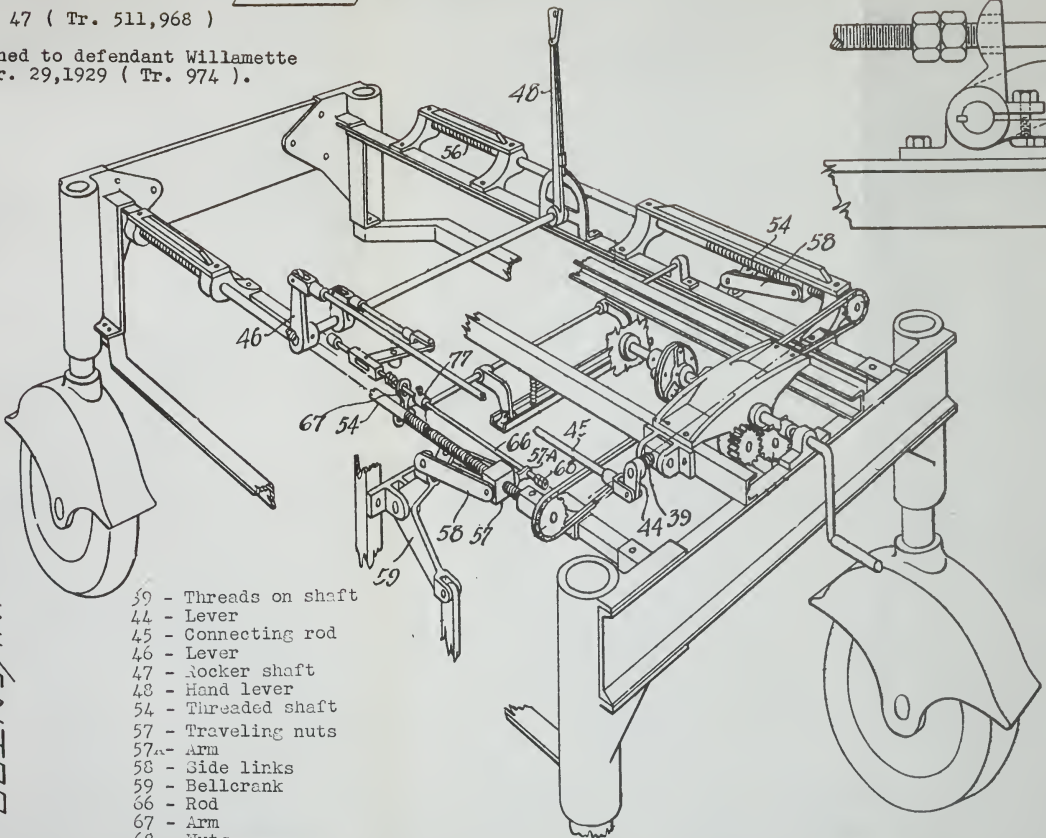


FIG. 7



- 39 - Threads on shaft
- 44 - Lever
- 45 - Connecting rod
- 46 - Lever
- 47 - Rocker shaft
- 48 - Hand lever
- 54 - Threaded shaft
- 57 - Traveling nuts
- 57a - ARM
- 58 - Side links
- 59 - Bellcrank
- 66 - Rod
- 67 - Arm
- 68 - Nuts
- 77 - Stop

Pl'ff's Exh. 47 ( Tr. 511,968 )

Patent assigned to defendant Willamette  
Hyster Co. ,Mar. 29,1929 ( Tr. 974 ).

INVENTOR  
G. A. Grab  
ATTORNEY





The load-lifting and lowering mechanism shown by Fig. 5 of the Grab patent drawing corresponds with that provided in the straddle-type carrier sold by defendants Willamette-Hyster Company to defendant Clark-Wilson Company about March 18, 1935 (Tr. 572) shown by Exhibits 56-A and 56-B (Tr. 573) above referred to. A copy of Exh. 56-B (Tr. 1011) is here given.

(Please see next page.)

The load-lifting and lowering devices shown do not comprise rack-and-pinions, as in plaintiff's patent, but instead consist of horizontally-arranged screws driven in opposite directions by the motor and cooperating devices, which performed the same functions as the rack-bars of plaintiff's patent.

The construction shown by Exhibit 56-B is the same as that contained in the carrier sold by Willamette-Hyster Company to Chambers Lumber Company at Cottage Grove, Oregon, which, John L. Waters, General Superintendent of plaintiff saw, and took a photo of, which photo is Plaintiff's *Exhibit 35* (Tr. 417, a copy of this photo will be found at page 941 of the Trans.) and a reproduction is here given.

(Please see next page.)



Copy of photo of Clark & Wilson Lumber  
Company's Willamette-Hyster carrier No.1  
sold to defendant, Clark & Wilson Lbr. Co.  
March 18, 1935 Def'nts. Exh.56-B (Tr.573-1012)

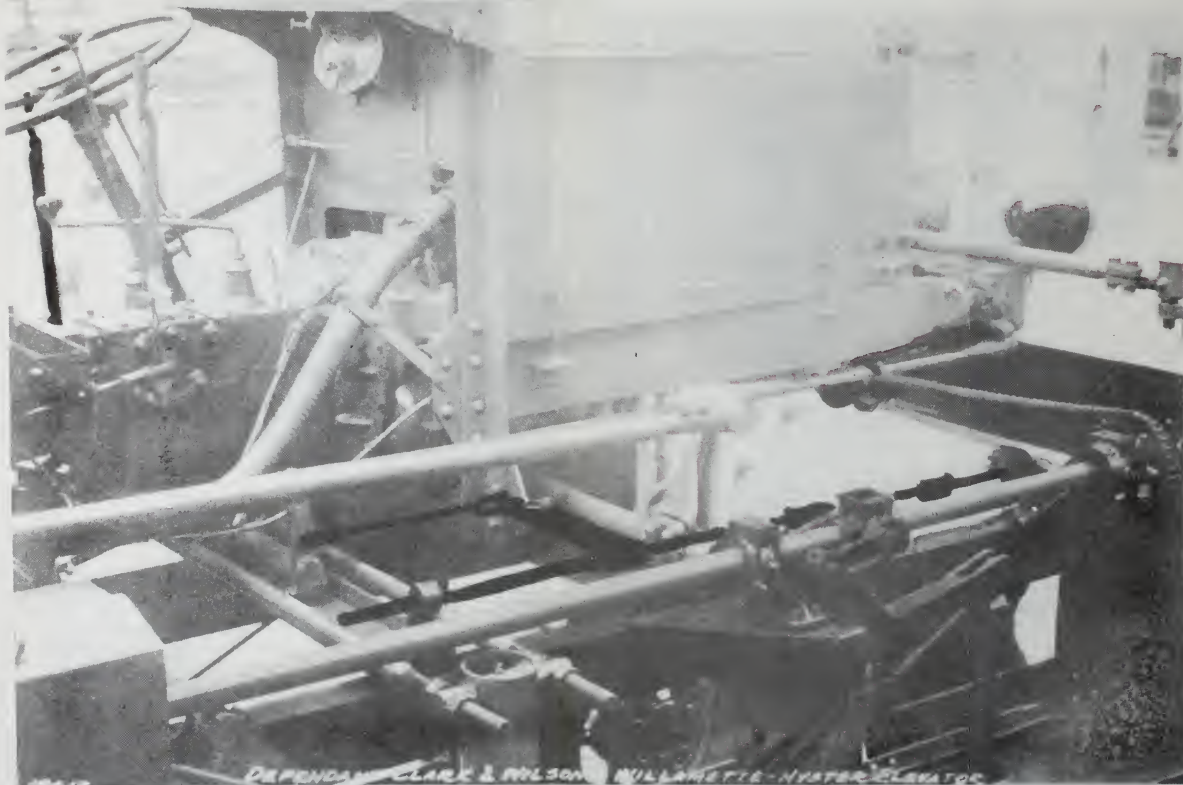
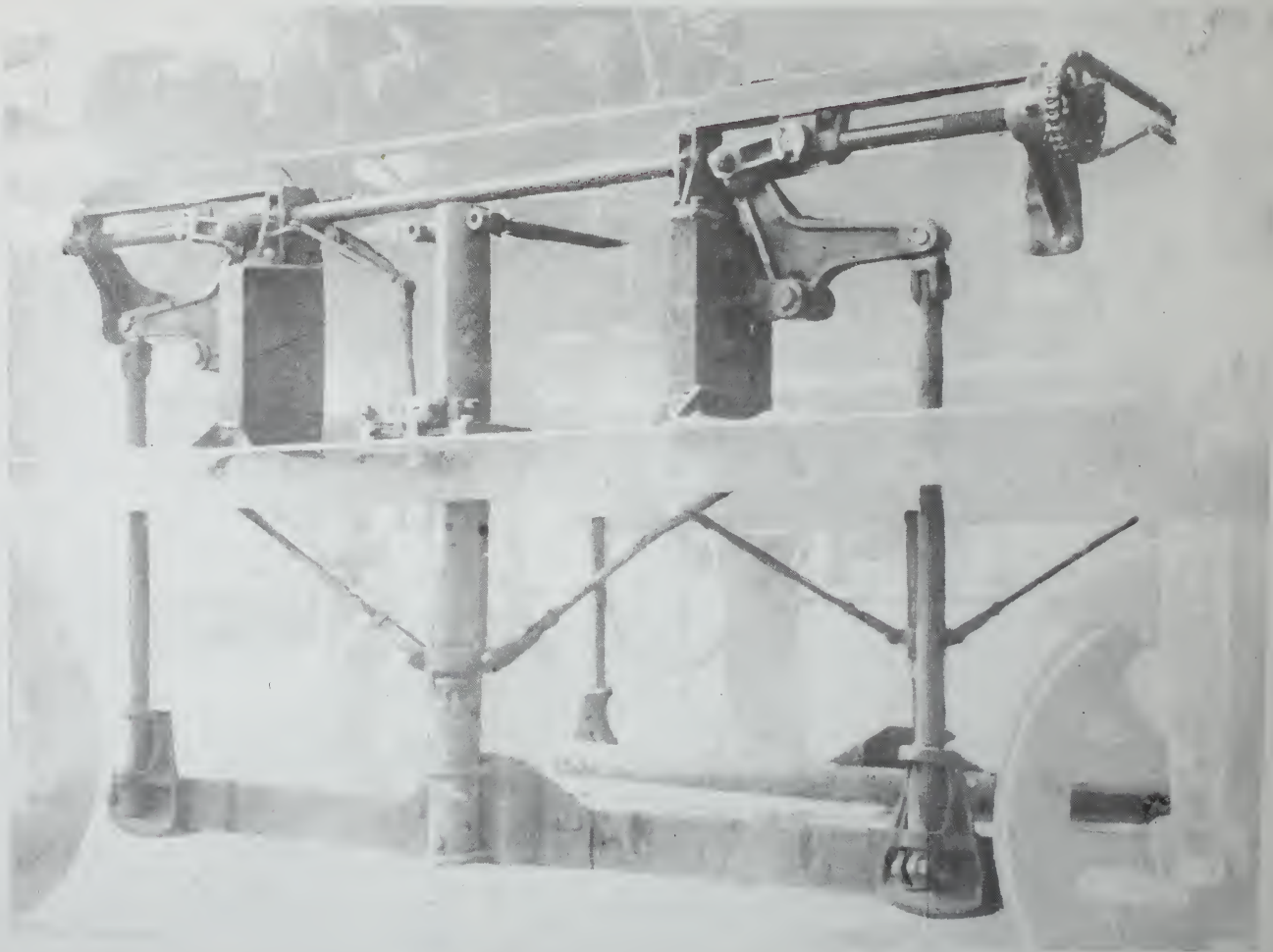




Photo of carrier sold by def't. Will-  
amette -Hyster Co. to Chambers Lbr. Co.  
at Cottage Grove, Oregon. Pl'ff's. Exh.  
35 ( Tr. 417 and 941 ).



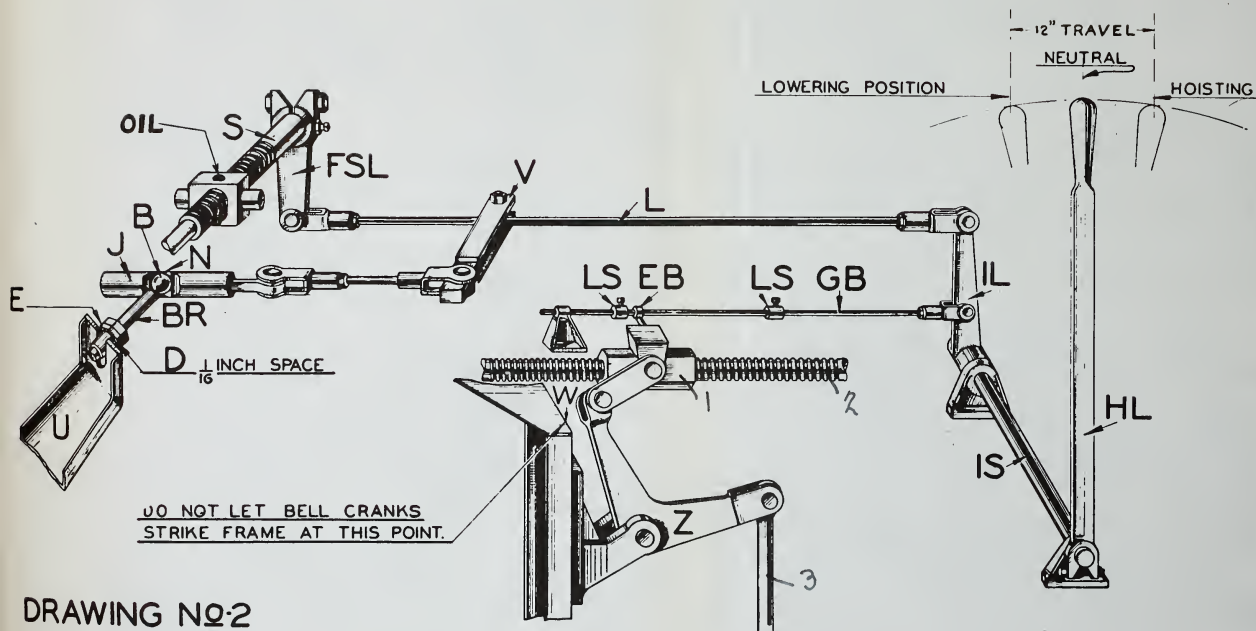




The construction of the load-lifting and lowering mechanism and control contained in these carriers is illustrated in a booklet entitled "*Service Manual*" put out by defendant Willamette-Hyster Company, constituting plaintiff's Exh. 32 (Tr. 409). This Service Manual contains an illustration designated "*Drawing No. 2*", Plaintiff's Exhibit 34, (Tr. 410), a copy of which will be found in the Trans. at page 940-A and a reproduction is here given.



"Drawing No.2" plaintiff's Exh. 34 page 5 of the "Service Manual" put out by defendant, Willamette-Hyster Company. plaintiff's Exh. 32 ( Tr. 409, Copy Tr. 940-A )



DRAWING NO.2

"Stops LS are mounted on guide bar GB which is connected to hoist hand lever HL through intermediate lever IL and shaft IS. These stops draw the hoist clutch into neutral position when struck by eyebolt EB while raising or lowering load shoes.

The eyebolt EB is on the nut 1, on the screw 2, connected by linkage to bell lever Z, connected by rods 3 with the lifting shoes. When the lifting mechanism has reached its limit of travel in either direction the stops LS on rod GB cause the return of lever HL to its neutral position thus disengaging the clutch and applying the brake. Waters, Tr. 414-415





Drawing No. 1 of the Service Manual shows the clutch mechanism, which, however, need not be studied. It is sufficient to follow the movements of the devices by which the clutch is automatically engaged with the motor to raise or lower the shoes, and the brake is simultaneously released; and, reversely, the clutch is disconnected from the motor, and the brake is applied to hold the shoes when moved to the permitted limits.

This action is readily understood from the testimony given by plaintiff's witness John L. Waters, (Tr. 414) and the explanation given in the "Service Manual" under "Drawing No. 2", which reads as follows:

"Stops LS are mounted on guide bar GB, which is connected to hoist hand lever HL, through intermediate lever IL, and shaft IS. These stops draw the hoist clutch into neutral position when struck by eyebolt EB, while raising or lowering load shoes."

The eyebolt EB is on the nut 1, on the screw 2, connected by linkage to bell-levers Z, connected by rods 3 with the lifting shoes. When the lifting mechanism has reached its limit of travel in either direction the stops LS on rod GB cause the return of lever HL to its neutral position, thus disengaging the clutch and applying the brake. (Waters, Tr. 414-15).

The defendants, in order to plead the defenses of laches and *estoppel*, alleged in the answer, paragraph XX (Tr. 26).

“\* \* \* that Lumber Carriers substantially identical in construction and operation with the Lumber Carriers complained of herein, have been made and sold and widely used throughout the United States of America for more than six years prior to the bringing of this suit, \* \* \*.”

The plaintiff desiring further specific information as to the construction of these carriers required the defendant Willamette-Hyster Company to answer an Interrogatory, viz:

## INTERROGATORY

No. 4 (Tr. 42)

State whether the lumber carrier which defendant Willamette - Hyster Company is at present manufacturing and/or selling embodies the following elements in combination, viz:

A lumber carrier comprising a frame,

load lifting means mounted therein,

means for transmitting motion from a source of power to the load-lifting means comprising a clutch that can be set in neutral position or to cause the load-lifting means to move in either direction,

ANSWER TO  
INTERROGATORY  
(Tr. 49)

The industrial truck or carrier that defendant Willamette-Hyster Company is at present manufacturing and selling comprises, viz:

A lumber carrier comprising a frame,

screw lifts supported by such frame for raising and lowering any desired load,

a motor to supply power for operating the screw lifts, a power controlling device to transmit and control power from the motor to such screw lifts,

means for manually moving the clutch to operative position,

automatic means for moving the clutch to neutral position upon a movement of the load-lifting means to a predetermined extent in either direction,

and means for braking the transmitting means whenever the clutch is moved to neutral position.

a handle for manually operating such power controlling device to drive the screw lifts in either of two directions or to bring the power controlling device to neutral position so that no power from the motor is transmitted to the screw lifts,

limit stops cooperating with screw lifts and operable automatically and independently of any load carried by the truck to bring the power controlling device to neutral whenever the screw lifts reach predetermined upper and lower limits,

an automatic spring operated brake to hold the screw lifts and connected mechanism against movement whenever the power controlling device is placed in neutral.

The devices listed under the heading "Interrogatory No. 4 are, as will be noted, the elements composing Claim 4.

The making of the limit stop mechanism of defendants' carrier so as to operate "*independently of any load carried*" was merely copying the mechanism used in plaintiff's carriers after the building of the plaintiff's first carrier (Tr. 62). Grab knew this; nevertheless, tried to get a patent claim on a combination involving the same feature; which, however, the Patent Office rejected, as above mentioned, on the Gerlinger patent No. 1,422,958.

Note, the *identity in purpose, function, and result between the screw-operated load-lifting and lowering devices of defendant's, Willamette-Hyster Company's, straddle-type carrier and the rack-bar and pinion mechanism shown by plaintiff's patent.*

The Master referring in his Report (Tr. 69)—to Mr. Gerlinger's perception, that "*the inherent defects*" of a cable-operated mechanism could be remedied by a mechanism of a "*positive or rigid type*" defined this *positive* mechanism as including *rack bars and pinions, toggle lifts or screw type.*" Defendant Willamette-Hyster Company used the "screw type."

In placing the upward-movement stops on the rack-bar (see Exhibit 6, a reproduction of which is given at page 9 of this brief) "*the action of Nos. 90, 91, and 66 performed the same function with regard to the upward movement \* \* \* that No. 65 and 66 performed in the downward movement*" the Master said (Tr. 63). The downward movement stop-parts 65 and 66 are those shown in Figure 3 of the patent drawing.



The Master finding no patentable novelty in Mr. Gerlinger's positive and uniform acting mechanism decided that Claim 4 might be saved by judicial construction of the element—*automatic means for moving the clutch* to neutral position upon the movement of load-lifting means to a predetermined extent in *either* direction, if these "means" be defined specifically as designating *load-operated*, up-movement stop bar 67 described as in the specification of the patent.

The Master said:

*"The plaintiff does not limit the stops of his patent to a specific means whereby the clutch is thrown into neutral and the brake simultaneously applied \* \* \*. The plaintiff insists that his patent covers ANY means which will bring the desired results."* (Tr. 75, 76)

(Tr. 75, 76)

The Master further said (Tr. 77) that the plaintiff's patent "cannot be accorded a broad construction but must be limited to the particular means he describes \* \* \* *If thus limited* it must be defined as an *automatic stop actuated by the load itself in upward movement*, and an automatic stop controlling the down movement of the kind and character shown by his drawing and specification. Under this limitation and construction of the patent, the defendant's device does not infringe. "Defendant achieves cessation of upward movement irrespective of the presence of the load and the means to control the downward movement is substantially different from that described by Gerlinger's plans and specifications. *Even if it can be said that defendants' means of downward movement control is a mechanical*

*equivalent of Gerlinger's means for such control*, infringement does not exist, because defendants' device omits an essential element of Gerlinger's combination, namely the *load-actuated* stop governing the upward movement." (Tr. 77, 78)

The plaintiff duly excepted to the Master's above findings of non-infringement (Tr. 88).

The District Court in its opinion remarked (Tr. 132) :—

"that Gerlinger showed nothing in the patent which would entitle him to a monopoly except a combination including the load stop. \* \* \*

*"Under the specifications, Gerlinger could, as he actually did in practice, have substituted the type of stop on the downward movement for the load actuated stop of the upper movement."* \* \* \* (Tr. 134)

"While \* \* \* Gerlinger had the right to use the stop shown for the downward movement upon the upward movement also, he therefore lost the peculiar combination upon which the patent was based." (Tr. 141)

And so the District Court found:

"22. That the lumber carriers manufactured and sold by defendant Willamette-Hyster Company did not constitute an infringement of Claim 4 of the patent in suit;"

"And made the same finding with regard to the lumber carriers in use by defendant Clark & Wilson Lumber Company." (Tr. 153)

## III.

## THE ALLEGED LACHES AND ESTOPPEL

Paragraph XX of the Answer (Tr. 26) alleges:

“For a further and separate defense defendants allege that Lumber Carriers substantially identical in construction and operation with the Lumber Carriers complained of herein, have been made and sold and widely used throughout the United States of America for more than six years prior to the bringing of this suit, and at all of such times plaintiff and its predecessors in interest have had full knowledge of the construction and operation of such Lumber Carriers and of said widespread manufacture, use and sale thereof, but neither plaintiff nor its predecessors in interest have at any time prior to the bringing of this suit asserted or attempted to enforce any alleged rights under the patent in suit with respect to any of such long-continued manufacture, use or sale of said Lumber Carriers; and throughout all of such time plaintiff and its predecessors in interest have continually recognized and acquiesced in the right of defendants and of the public to make, use and sell such Lumber Carriers and have thereby encouraged the manufacture, use and sale of such Lumber Carriers, and the investment by defendants and others of large sums of money in making, using and selling such Lumber Carriers; and in reliance upon such conduct of plaintiff and its predecessors in interest defendants did so invest large sums of money for which reason plaintiff is guilty of laches with respect to the alleged cause of action attempted to be stated in the bill of complaint

herein and is estopped to assert any of its alleged rights under the patent in suit against defendants, or either of them.

The plaintiff asked for further Particulars (Tr. 31), and the defendants responded as follows:

Particulars wanted (Tr. 31):—

“9. With further regard to paragraph XX of defendants’ Answer and particularly in reference to the allegation therein that during the said alleged prior making and selling of said lumber carriers the “plaintiff and its predecessors in interest have continually recognized and acquiesced in the right of the defendants and of the public to make use and sell such lumber carriers”;—

“State specifically what the alleged recognition and/or acquiescence on the part of plaintiff and its predecessor in interest consisted of, that is,”—

“(a) Whether such alleged recognition and acquiescence will be predicated upon the failure of plaintiff, and/or its predecessors in interest, to take any action against said makers and users.”

Defendants answered:—

“Yes”. (Tr. 36).

Further particular demanded:—

“9 (b) ; (First paragraph) (Tr. 32)

Whether some act, and/or conduct of the plaintiff, and/or its predecessors, was relied on by defendants, or either thereof, and in such event state the particulars fully of such act and/or conduct.”



Defendants answered:—(Tr. 36)

“The failure of plaintiff and its predecessors with full knowledge of the facts to assert any rights under the patent in suit against defendants’ carrier or others substantially identical therewith for more than six (6) years prior to suit.”

Further particular demanded:—

“9 (b) ; (Second paragraph)

Referring further to paragraph XX \* \* \* alleging that ‘in reliance upon such conduct of plaintiff and its predecessors in interest, defendants did so invest large sums of money’, state for what purpose, and when, and where the defendants, respectively, invested large sums of money in reliance upon any act or conduct by the plaintiff, or its predecessors in interest, in the premises.”

Defendants answered:—(Tr. 36)

“Defendant, Willamette-Hyster Company, and its predecessors in interest in Portland, Oregon, ever since 1924\*, has expended large sums of money for *plant equipment, materials, labor and development work* in the manufacture and sale of the carriers alleged to infringe the patent in suit.”

“The defendant, Clark & Wilson Lumber Company in Portland, Oregon, ever since 1923, has expended large sums of money for the purchase of carriers substantially identical with the carriers complained of herein as infringements of the patent in suit.”

---



(Note: \*"1924" is incorrect. Defendants' *Willamette-Hyster Company's* predecessors *Willamette-Iron & Steel Company* did not begin the making of straddle-type carriers until September 1926. (Tr. 595), and first delivery was early in 1927 (Tr. 609).

---

The plaintiff desiring further ellucidation was permitted to file Interrogatories.

*Interrogatory No. 5* (Tr. 43)

"(a) State whether the defendant Willamette-Hyster Company or anyone in its behalf, had any correspondence or conversation, with the plaintiff, or any person connected with the plaintiff, since 1924, about a lumber carrier embodying the combination described by Claim 4 of the patent in suit."

Defendants answered:—

"No." (Tr. 49)

*Gustav A. Grab*, defendants' all inclusive witness testified:—

He was in the employ of plaintiff when Mr. Gerlinger invented his improved rack-end-pinion straddle-type carrier described by the patent in suit. (Tr. 577).

The first carrier had only a load control up-stop. Nine further carriers were then built which had lift control stops in addition to a load-control stop. (Tr. 581)

January 1, 1926, Grab was discharged by plaintiff, (Tr. 754). A few days later, Jan. 15, 1926, Grab entered the employ of Willamette-Iron & Steel Company (Tr. 594).

September 1926 Grab began designing a positive lift straddle-type carrier for Willamette Iron & Steel Company (Tr. 595).

The first delivery of these carriers was made early in 1927. (Tr. 609).

Grab stated he called "on lumber operations (operators) and principally in the West Coast territory. \* \* \* As a whole the market was rather limited for lumber carriers."

"Q. Would you say then that the list of prospective customers for carriers was a broad one or a narrow one?

"A. *It was definitely a narrow market.*" (Tr. 584-5)

Grab testified that Willamette Iron & Steel Company continued to sell its straddle-type carriers (Tr. 609); *but he was not asked, nor stated how many of these carriers were sold by Willamette Iron & Steel Company, nor when sold.*

*About February 15, 1929, the Willamette Iron & Steel Company sold its carrier business to the Willamette-Ersted Company, the former corporate name of defendant Willamette-Hyster Company, and Grab entered the employ of the latter company (Tr. 595).*

*It is to be noted that neither the Willamette Iron & Steel Company, nor defendant Willamette-Hyster Company claimed any patent rights of their own.*

Full knowledge by defendant Hyster Co. of the scope of plaintiff's patent is shown by the following circumstances:

Grab made an application for patent on straddle-type carriers with positive load-lifting and lowering mechanism and control embodying the design he got up for Willamette Iron & Steel Company. Grab's application was originally filed July 23, 1927 and then substituted by an application filed May 26, 1930. See caption of this Grab patent, Plaintiff's Exh. 47, (Tr. 965). In this application Grab attempted to get a claim as follows: (Tr. 987)

"8. In a traversing hoist, the combination of a wheeled frame having a load lifting mechanism provided with a reversible friction drive thereon; an upper limit stop having connections to said friction drive *whereby the lifting action shall be stopped when said lifting mechanism has reached its uppermost limit without a load.*"

The Examiner of the Patent Office rejected this claim "as involving no invention" over Gerlingers 1,422,958", (see File Wrapper Tr. 996). The patent so referred was Mr. Gerlinger's first patent on positive load-lifting and lowering mechanism, which patent did not include a brake in the control mechanism for holding the load against settling. Grab in response to said rejection cancelled claim 8 (Ib. 997), and thereupon Grab's patent was allowed on details of construction not pertinent to the instant case. This patent was assigned to the defendant Willamette-Hyster Company, (see Exhibit 49 and 50; Tr. 520 and 974).

*The first carrier bought by Clark & Wilson Lumber Company from defendant Willamette-Hyster Company was delivered March 18, 1935, (Tr. 572), a few months before this suit was instituted, which was Oct. 3, 1935.*

In all, up to the date of trial—November 23, <sup>1936</sup>~~1920~~, (Tr. 178)—defendant Willamette-Hyster Company and its predecessor sold over 300 carriers.

The dates when defendant Willamette-Hyster Company and its predecessor sold these 300 carriers, the cost, or the selling prices of these three hundred carriers, defendants did not state.

Only at the last minute, before the trial closed Grab merely was asked:

“During the time that you have been with the defendant Willamette-Hyster Company or its predecessors in business, how much in round numbers is the *total gross sales of carriers having the construction* generally of the defendant Clark & Wilson Lumber Company’s Willamette Carrier (referring to defendant’s Exh. 56-A, and 56-B).

Answer: Well over \$2,000,000.00 (Tr. 765).”

The Master, apparently adopting the allegations of Defendants’ Answer in his report, (Tr. 85) stated that plaintiff “permitted the Willamette-Hyster Company to invest large sums of money in plans, equipment and in manufacture of its carrier.”

But note, *only the total amount of such sales* of these carriers is given. Neither the cost of carriers, nor cost of the equipment used, nor whether any special equipment was required was stated.

Dividing the \$2,000,000.00 received by the 300 carriers sold we have an average of \$6,666.66 per car which is much in excess of the price received by plaintiff for its carriers—\$3,850.00 for light models and up to \$7,050 for large six-wheel model carriers, which Willam-



ette-Hyster Company did not make; and is likewise much above the price of the Ross carriers, \$4,500 for smaller machines to \$5,000.00 for the larger ones (Tr. 572).

This suit was filed October 3, 1935, and the patent, dated May 29, 1923, then had four years and about eight months to run.

Mr. Gerlinger testified that he did not know of defendant Willamette-Hyster Company's infringement until September 1935. The circumstances were as follows: (Tr. 198)

“Q. When did you first find that the defendants were manufacturing a carrier which embodied the claim for patent in suit?

A. September, 1935.

Q. What were the circumstances under which you made that discovery?

A. I sold two machines to Shevlin-Hixon at Bend, Oregon, and after we received the requisition a few days later, we received a letter to ask us for a guarantee for infringement of patents.” (See Letter dated Sep. 11, 1935) Pl'ff's. Exh. 8; (Tr. 203, and 917).

Plaintiff had sold Shevlin-Hixon carriers for many years but never had been asked for a guarantee before. (Tr. 200). Rumors came from Shevlin-Hixon that the Willamette-Hyster Company threatened to sue plaintiff for infringement (Tr. 201). Plaintiff sent its general superintendent Waters to investigate. After obtaining copies of patents issued to Grab, Plaintiff con-



sulted counsel who advised that the carriers that the Willamette-Hyster Company were building apparently infringed Plaintiff's patent (Tr. 202-3). This suit was then filed.

Plaintiff built ten carriers under its patent up to 1923, then discontinued making rack-and-pinion carriers and from 1923 to 1929 made and sold hydraulic lift carriers only. Mr. Gerlinger had a patent on these carriers also and believed them to be superior; but after prolonged trial they were not found satisfactory; (Tr. 234, and 389).

By the end of 1928 the plaintiff resumed making and selling rack-and-pinion carriers exclusively (Tr. 228). The first delivery of these rack-and-pinion carriers, called RPF, was March 5, 1929 (Ballantyne, Tr. 481). (See further sheets and records of sales of Plaintiff's RPF carriers, def'ts. Exh. 45, (Tr. 953) and Pl'ffs. Exh. 46, (Tr. 961).

In this connection a grievous misreading of the evidence by the District Court must be noted.

The Court said in its opinion (Tr. 142):—

“In 1935 \* \* \* plaintiff went back to the manufacture of the rack-and-pinion carriers”.

This statement suggests that plaintiff discontinued the manufacture of its rack-and-pinion carriers, and returned to the same only after it learned of the infringement by defendants. This is wrong as stated, plaintiff resumed making rack-and-pinion carriers *exclusively* at the end of 1928.

After this suit was brought defendant Willamette-Hyster Company defiantly continued to make and sell its infringing carriers.

Defendant Clark & Wilson Lumber Company bought a number of infringing carriers from defendant Willamette-Hyster Company, the first of which was delivered March 18, 1935, a few months before this suit was brought. When the remaining carriers were delivered neither of the defendants told.

Plaintiff tried to prosecute this suit vigorously, but was hindered by circumstances beyond its control. On November 12, 1936, over a year after suit was instituted, the District Court entered an Order referring the trial to the Standing Master, because of the congested state of the Court calendar, caused by vacancy in the Office of the United States District Court judge, and the large number of criminal cases to be disposed of (Tr. 52). The case went on trial November 23, 1936 (Tr. 178). The Master did not file his report until July 1, 1937 (Tr. 87). Exceptions to the Master's Report were promptly filed, but the Court did not pass on them until Feb. 6, 1939 (Tr. 143); and the final decree was not entered until June 30, 1939 (Tr. 159).

Further discussion of the question of Laches and Estoppel will be continued under ARGUMENT, Section III.

## ARGUMENT

## I.

CLAIM 4 OF PLAINTIFF'S PATENT  
IS VALID

It will suffice to state here Appellant's Points on Appeal 9 and 10 (Tr. 794, 795, 796) :

"9. The District Court erred in finding as a conclusion of law that the association of elements composing the combination defined by claim 4 of the patent in suit was a mere aggregation, and does not constitute a patentable combination.

"10. The District Court erred in failing to find as a conclusion of law, that anticipation of the combination described in Claim 4 of the patent in suit was not made out, and that said claim is valid."

The introduction of the specification of the patent definitely states the purpose of the invention, viz:

"An object of the invention is to provide an improved form of lifting device that *will have four lifting points that lift positively and in unison.*"

"Another object is to provide a form of automatic stop for the lifting device that will operate when the limited motion in either direction is reached, and also apply a brake mechanism."

*Claim 4 of the patent in suit states a new and useful patentable invention.* It is composed of six elements designated in the District Court's Opinion (Tr. 126) as follows:

"A Lumber Carrier comprising

"1. A frame;

"2. Load-lifting means mounted THEREIN;

"3. Means for transmitting motion from a source of power to the load-lifting means, comprising a clutch that can be set in neutral position or to cause the load-lifting means to move in either direction;

"4. Means for manually moving the clutch to operative position;

"5. Automatic means for moving the clutch to neutral position upon the movement of the load-lifting means to a predetermined extent in EITHER direction;

"6. Means for breaking the transmitting means whenever the clutch is moved to a neutral position."

The District Court's 3rd. Finding (Tr. 145) describes the machine covered by the patent in suit as

"A self-propelled straddle-type truck having a load-lifting device mounted within the frame and between the wheels, the lifting mechanism comprising rackbars and pinions *CREATING four lift points that lift positively and in unison \* \* \*.*"

No similar combination is shown by the prior patents introduced by defendants.

The patents introduced in evidence by defendants as prior art and relied on may be arranged in two groups.

*Group 1* comprises straddle-type carriers, viz:

Ross No. 1,209,209, dated December 19, 1916

Ross No. 1,271,947, dated July 9, 1928

Overlin No. 1,289,529, dated December 31, 1918

Overlin No. 1,323,719, dated December 2, 1919

*Group 2* comprises the prior patents introduced by defendants to show platform hoists, stationary or wheel-mounted, provided with control mechanism by which the raising and lowering of the platform is limited to predetermined levels, and some of these patents also include a brake, viz:

Dingee .....No. 414,380 (Tr. 1104)

Nicholson .....No. 1,340,458 (Tr. 1114)

French & Pavey ...No. 1,360,917 (Tr. 1122)

Towson & Cochran.No. 1,337,804 (Tr. 1130)

Cochran .....No. 1,260,145 (Tr. 1140)

Carr .....No. 1,407,124 (Tr. 1152)

Boudinot .....No. 537,628 (Tr. 1212)



A particular difference is to be noted in operation between a straddle-type carrier and a platform hoist; the straddle-type carrier has lifting and lowering mechanism comprising *four, independent, lifting points*, while the mechanism of platforms has only a *single lifting point*.

All of the patents in Group 1 were cited by the Examiner of the Patent Office in the application for the patent in suit, No. 1,457,025, or in the application for Gerlinger's earlier patent, No. 1,422,958, Pl'ff's. Exh. 4 (Tr. 858). These two applications were co-pending. The earlier Gerlinger patent covered a similar combination as the patent in suit, but did not include a brake in the control for the load-lift; such brake being a later development.

The defendants introduced all of the fifteen patents cited by the Examiner in the application for patent in suit in a group as Defts' Exhibit 57.

*It is to be noted* that the patents listed in Group 2 include the Carr patent, No. 1,407,124, Elevator Truck.

Grab, Defendants' expert witness, testified that *all the hoists truck patents introduced by defendants "are substantially alike in principle of operation."* (Tr. 716) *The Carr patent, No. 1,407,124, was specifically cited and considered by the Examiner of the Patent Office in allowing the patent in suit.*

It is to be noted that while the said 3rd. Finding of the District Court describes the lifting mechanism as "*comprising rack-bars and pinions creating four lifting points that lift positively and in unison*, the Master defined this mechanism more broadly as comprising *mechanism "of a positive or rigid type such as rack-bars and pinions, toggle lifts or screw type."* The devices em-



ployed by the defendants in their infringing straddle-type carriers did not comprise rack-bars and pinions, instead consisted of toggle lifts and screw type. But such mechanism *does provide a four-point lift of the shoes actuated positively and in unison*, the particular features described by the patent in suit.

Each of the straddle-type carriers listed under Group 1 *has a cable-operated lifting and lowering mechanism*, comprising load-carrying shoes slidably mounted on the inner sides of the four tall legs of the carrier; and these shoes are raised and lowered by the winding up and unwinding of the cables, from which they are suspended, by the driver.

There was no pretense that these patents suggest their reconstruction so as to make the raising and lowering of their four load-carrying shoes positive and in unison. The reason why defendants specifically introduced the Ross patent No. 1,209,209 as their Exh. 78 was to emphasize the fact—self evident—that the lifting mechanism of a straddle-type carrier had nothing to do with propulsion of this carrier. (Grab. Tr. 760.)

The lift mechanism of these straddle-type carriers, is illustrated by the Ross patent, No. 1,209,209, a copy of which is given at page 3. of this brief. Cable-lift mechanism was undependable. One of its particular faults was, since the shoes had to be lowered by gravity, when empty they were apt to stick in there sideways, and would not descend.

The Master, in his Report (which the District Court accepted and affirmed, (Tr. 144) said (Tr. 76):

“Load lifting means mounted *therein*, having *four* lifting points that lift positively and in unison. (*Gerlinger*) *may well have been the first to conceive.*”

None of the prior cable-lift straddle-type carriers had such means, nor had they any automatic means for limiting the lifting or lowering of the load to predetermined levels. The lifting and lowering of the load in cable-lift carriers was controlled *manually* by the driver of the carrier.

None of the wheel-mounted platform hoist patents suggested the building of a straddle-type carrier. So testified plaintiff's expert witness Dickson (Tr. 765); and defendants' witness Grab, on cross-examination, confirmed such statement. (Tr. 716, 717).

Thus, the straddle-type carriers described by the patent in suit had *two novel features*:

First: The elimination of the undependable cable-lift and providing in place thereof mechanism lifting and lowering the four, independent load-carrying shoes *positively and in unison*.

Second: *The providing of “automatic means”* for moving the clutch into neutral position upon the movement of the load lifting means to a predetermined extent in *either direction*. The latter element included a brake to prevent the settling of the load during the travel of the carrier.

Nevertheless, the Master, in his Report (Tr. 76), and the District Court in its opinion (Tr. 138) held it to be “*inconceivable*” that a combination based on these new features in a straddle-type carrier constituted invention. In short, the District Court's Opinion was that with the cable-operated lift of the Ross straddle carrier, or the

Overlin straddle carrier before a skilled mechanic, plus lift-control mechanism such as suggested by the Dingee patent, No. 414,380 describing an Elevator, or the Carr patent, No. 1,407,124, describing an Elevator Truck, no problem existed in providing four load-carrying shoes *actuated positively and uniformly*, and a suitable lift control for limiting the lifting and the lowering of the shoes to predetermined levels.

When Gerlinger perceived the necessity of eliminating the cable-operated lift mechanism of the Ross or Overlin straddle carriers, and the replacing of this mechanism by devices actuated *positively and in unison*, up or down, his perception of control mechanism *which limited the movement of the shoes in either direction* naturally followed, as necessary for preventing the injury of the lifting mechanism. Conceding that the prior platform hoist truck patents do show similar control mechanism as employed by Gerlinger, it is elementary that the novelty *per se* of the elements of a combination is immaterial so long as they cooperate to produce a new and useful result.

The patentable novelty of the invention covered by Claim 4 was given very careful consideration by the Patent Office.

It appears from defendants' Exh. 57 (Tr. 574) (see Index of Volume I Viic) that the Examiner cited and considered 15 patents in passing on the application for the patent in suit. (The File Wrapper of patent in suit, Pl'ff's. Exh. 5, will be found in the Trans. at p. 889). And in passing on the Gerlinger earlier patent, No. 1,422,958, the Examiner considered 10 patents, (see Tr. 1203), *including the Ross patent, No. 1,209,209*, on which the defendants evidently particularly relied since,

although this patent was already in the record as the Pl'ff's. Exh. 1-A, the defendants again made it specifically their own Exh. 78. (The File Wrapper of Gerlinger patent No. 1,422,958 will be found in the Trans. at P. 858).

If the solution of the problem was so obvious to any skilled mechanic, as the District Court believed, *why did not Ross, or Overlin make the desired changes of their respective, cable-lift carriers?*

The history of the case shows that Ross and Overlin had the undependable working of their cable lifts for years before them prior to Gerlinger's improvement. Furthermore, Ross, and likewise Overlin, evidently had the improvement of their straddle carriers respectively in mind; Ross took out a second patent, No. 1,271,947 July 9, 1918, application filed Dec. 4, 1916; and Overlin, likewise took out a second patent No. 1,349,292, August 10, 1920, application filed Nov. 24, 1919. But neither suggested the *reconstruction* of their undependable cable-lift mechanisms.

Why did Ross delay seven years in *reconstructing* the cable lift of his carrier? He filed his first application for patent May 11, 1914, and after Gerlinger's improvement was brought out, which was in 1921, Ross immediately adopted it.

Overlin filed the application for his first patent, December 22, 1917, four years before Mr. Gerlinger's improvement was brought out.

Grab was in the employ of plaintiff when Gerlinger invented his improvement and put it into practice (Tr. 576). After Grab was discharged by plaintiff and had entered the employ of the Willamette Iron & Steel Company, Jan. 15, 1926 (Tr. 594), he himself filed an ap-



plication for patent (which matured in his patent No. 1,838,939, Pl'ff's. Exh. 47), the application for which was filed July 23, 1927, (Tr. 966) in which Grab stated, under oath, that the providing of a control limiting the up-movement of the shoes when *not* carrying a load was his invention. (See the rejected claim No. 8 in the File Wrapper of this patent, Pl'ff's. Exh. 51, Tr. 987). On the witness stand Grab testified that such control was *developed and used* in the Gerlinger straddle-type carrier after the building of first carrier by plaintiff. The fact to be noted in this connection is that Grab contended before the Patent Office that a claim in substance like Claim 4 of the patent in suit *is patentable*.

\* \* \* \*

Granting that the Court had of course the right to brush aside the testimony of the witnesses, and hold to its own deductions, the difference between the opinion of the witnesses and the Patent Office on the one hand and the opinion of the Court on the other hand, *proves that the question of invention may be debatable; and any fact debatable is still in doubt*.

#### ANALYSIS OF CLAIM 4

The District Court commented in its opinion (see Tr. 137) :

“There were various forms of carriers of different designs used for carrying lumber before the Gerlinger patents. The ‘straddle’ type carries the load ‘within’ the frame. Other types carry the load ‘upon’ or ‘in front of’ the frame. It is unquestioned that the previous art had shown examples of an elevator which had a positive means of lifting coupled with a means of limiting the movement in either direction of the load-lifting devices, in



carriers which transported the load either 'upon' or 'in front of' the frame.

This is straining the facts in the case. Claim 4 is not readable on the prior cable-lift straddle-type carriers, nor on the prior platform hoist trucks.

Claim 4 designates A "Lumber Carrier" embodying a combination composed of the following elements:

"1 A frame;

2. Load-lifting means mounted *therein*;

3. Means for transmitting motion from a source of power to the load-lifting means, comprising a clutch that can be set in neutral position or to *cause the load-lifting means to move in either direction*;

4. Means for manually moving the clutch to operative position;

5. Automatic means for moving the clutch to neutral position upon the movement of the load-lifting means to a predetermined extent in *either direction*;

6. Means for braking the transmitting means whenever the clutch is moved to a neutral position."

Let us analyze Claim 4 just as we would construe any written instrument in order to ascertain its true meaning and intent.

Element 2 describes load-lifting means mounted *therein*. This description together with the introductory phrase "*Lumber Carrier*" *specifically designates load-lifting means provided between the wheels of the carrier and adapted to carry a stack of lumber, as is illustrated by the patent drawings of the Ross Carrier, No. 1,209,209*, a copy of which is given in the beginning of this Brief. The introductory phrase "*Lumber Carrier*" further designates that the load-lifting means comprise the usual load-carrying shoes slidable, up or down, in vertical

guideways on the inner sides of the four tall legs. The load-lifting means must further include some devices by which the shoes are moved up or down, since the next element 3 merely describes *means for transmitting motion* from a source of power to the load-lifting means.

We must next determine *what are the particular load-lifting means*. The introduction of the specification of the patent tells us that the "object of the invention is to provide an improved form of lifting devices that will have four lifting points that lift positively and in unison".

We learn from the prior art that the preceding straddle-type carriers had *cable-lifting* and lowering mechanism which is not positive in its movement in both directions. Cables can exert a positive lifting force, but they *cannot exert a positive lowering force*. All that can be done to lower the shoes is to slacken the cables and thus let gravity move the shoes down; in other words, unwinding of the cables *merely permits* the shoes to descend in their slideways; but, as testified by Mr. Gerlinger and pointed out in the beginning of this Brief, sometimes due to splinters getting in the slideways of the shoes, and also in the winter season, the shoes are *apt to stick in their slideways and would not lower* with the unwinding of the cables; and then, as obvious, the picking up of the load could not be proceeded with, but required that the driver or someone *first loosen the shoes* in their slideways so that they could descend.

Referring further to the element 3 of the claim, we find that this describes *means for transmitting motion* from a source of power to the load-lifting means \* \* \* *to cause the load-lifting means to move in either direction*. Motion could not possibly be transmitted through

*flexible cables* to cause the shoes to move downward. Hence, *we must have rigid devices* such as rackbars carrying the shoes, and pinions meshing with the rackbars; or equivalent devices, such as nuts threaded on screws rotatable in opposite directions and toggle connections between the nuts and the vertically movable devices carrying the shoes. *Hence claim 4 is not readable on straddle-type carriers provided with cable-lift mechanism.* Nor is claim 4 readable *on platform hoist trucks*, since they are to be classified in a different art than straddle-type carriers, and do not suggest the building of a straddle-type carrier. (Grab. Tr. 717).

As said by this Court of Appeals in *Los Alamitos, Sugar Co. v. Carroll*, 173 Fed. 280, 284, 285, (283) :

“It is manifest, we think, that these claims are limited to the dumping of wagons \* \* \* A device which does not operate on the same principle cannot be an anticipation.” \* \* \*

(P. 285). “It is not sufficient to constitute anticipation that a device relied upon might, by a process of modification, reorganization, or combination with each other, be made to accomplish the function performed by the device sued on.”

The District Court appears also to have held the opinion that the rack and pinion mechanism should have been specifically set forth in claim 4 as an essential of the particular combination (Tr. 140) so as to distinguish ~~from~~ cable-lift carriers. But this would have imposed an undue limitation on the invention. The Patent Office, in recognition of this fact, allowed the claim with the elements broadly stated. It would be unfair to limit the inventor to the rack and pinion when other *mechanical equivalents* of the rack and pinion, such as a rotatable screw, would also accomplish the purpose of the inventor.

It was the duty of the court to read Claim 4 in the light of the specification. When so read there is no reasonable doubt as to what Claim 4 describes.

In *Turrill v. R. R. Company*, 1 Wall, 491, 510, the Court said:—

“Patents for inventions are not to be treated as mere monopolies, and therefore odious in the eyes of the law; but they are to receive a liberal construction, and under the fair application of the rule, *ut res magis valeat quam pereat*, are, if practicable, *to be so interpreted as to uphold and not to destroy the right of the inventor.*”

Applying such doctrine to the facts before the Court in that case, the Court continued:—

“\* \* \* \* *Evidently the claim must be construed in connection with the explanation contained in the specification*, and when viewed in that light it is quite clear that he should receive a more restricted construction than was given to it in the judgment of the Court. \* \* \* *Obviously it is not a claim for any kind of movable press-block, combined and operating in any way with any kind of fixed block to accomplish any purpose, or effect any kind of result.* Giving that construction to the claim then, indeed, it would be true that the plaintiffs, when they admitted that movable press-blocks in combination with various shapes and used for various purposes were older than the invention of the patentee, did admit away their whole case, and, if viewed in that light, it would be equally true that there was no question of fact to be submitted to the jury. *But such is not the true construction of the patent, as is obvious from every one of the explanations of the specification. Invention was of such a movable press-block as is described*, having its edge formed to the side of the rail in combination with such other block as described, with its edge of



similar but reversed form arranged as described and combined and operating *in the particular way described* for the special purpose of effecting the desired result.”

By holding that Claim 4 of the patent does not describe specifically a straddle-type carrier—the only device shown by the drawings of the patent—thus a carrier embodying four shoes, which, to make the carrier dependable, were, by the improvement, operated *positively and in unison*,—would be violating the rule of interpretation not only of patents but a rule inherent in the interpretation of any written instrument.

The rule of patent interpretation was also stated in *Black & Decker Mfg. Co., et al vs. Baltimore Truck Tire Service Corp.*, 40 Fed., (2d) 910 (C.C.A. 4th); the Court said:—

“It is elementary that the language of the claims is to be construed in the light of the description and drawings” (citing authorities).

The rule was explained by this Court of Appeals in *Diamond Patent Company vs. S. E. Carr Co.*, 217 Fed. 400, 407,

“By resorting to the specifications and the light which they afford on the subject we do not enlarge the claims, but construe them according to their intention as authorized by the decisions above cited.”

“No one familiar with the art, after reading the claims, and making the permissible reference to the specification, could have any doubt as to what was the particular thing the patentee claimed as new and what was the relation of each part to the combination.”



## WHAT CONSTITUTES INVENTION

A recent Canadian case (*Asten-Hill, Ltd., vs. Ayers, Ltd.*, 2nd. Dominion Law Reports 1939, Page 234) naively states the imponderability of invention. Judge Andrews said:—

“Now in this case, as usual in all cases of this class, the Plaintiff’s counsel have cited to me the well-known (authorities), and they urge me not to be misled by the simplicity of the invention into holding that there is no subject matter; while the Defendants relying on (ther authorities) have warned me against attributing inventive quality to what is a mere workshop improvement. Nobody, however, has told me, and *I do not suppose anybody ever will tell me*, what is the precise characteristic or quality the presence of which distinguishes invention from a workshop improvement. Day is day, and night is night, but who shall tell me where day ends and night begins? \* \* \* The truth is when once it has been found, as I find here, that the problem has waited solution for years, and that the device is in fact novel and superior to what had gone before, and has been widely used, and used in preference to the alternative devices, it is, I think, practically impossible to say that there is not present that scintilla of invention necessary to support the patent.”

In the instant case there is even more than a mere scintilla; the Gerlinger improvement manifests a substantial advance over the old cable-lift carrier.

In *Pearl vs. Ocean Mills*, No. 10,876, in 19 Fed. Cases, PP. 56, 59; it is said:—

“No more difficult task is imposed upon the Court in patent causes than that of determining what constitutes invention, and of drawing the line

of distinction between the work of the inventor and the constructor. \* \* \*

In *Smith et al vs. Woodruff*, 22 Fed. Cases, 703; it is said:—

“The Court is greatly relieved, and will be so all the way up to the Court of last resort, *by presumption in favor of the finding by the (Patent) Office, to which is entrusted the determination of the question of patents.*”

In *Union Sugar Refinery Co. vs. Matthiesen*, 24 Fed. Cases, 686, 688; it is said:—

“No patent is issued without an examination at the Patent Office by persons skilled on the subject \* \* \*. The Commissioner is entrusted by law with the power and duty of granting patents for new and useful inventions, \* \* \* and the prima facie presumption is that he correctly performed his duty.”

The decision of the Commissioner of Patents of course, is not entitled to the force of *res adjudicata*, “yet is a determination entitled to the highest respect of the Courts, and should not be reversed except upon the most satisfactory proof.” *Cook vs. Ernest*, 6 Fed. Cases, 389.

In *Cluett, et al vs. Claflin et al*, 30 Fed. 992, the Court in defining the quality of the proof required said:—

“This defence (of lack of novelty) must be established by proof \* \* \* *which satisfies the mind beyond a reasonable doubt.*”

The remarks in the case of *Imhaeuser vs. Buerk*, 101, U. S. 647, to 660, strikingly apply to the instant case.

“It is not pretended that any one of them (the prior patents) embodies the entire invention se-

cured to the complainant in his letters patent. Nothing of the kind is pretended, but it is insisted that each contains some feature, device, or partial mode of operation corresponding in that particular to the corresponding feature, device, or partial mode of operation exhibited in the complainant's patent."

In *Diamond Rubber Co. vs. Consolidated Co.*, 220 U. S. 428, the Court said at 435:—

"Knowledge after the event is always easy and problems once solved present no difficulties, indeed may be represented as never having had any \* \* \* but the law has other tests of the invention than subtle conjectures of what might be seen and yet was not."

In *Loom Co. vs. Higgins*, 105 U. S. 580, 591, the Court said:—

"It is argued \* \* \* that the combination set forth in the 5th claim is a mere aggregation of old devices, already well-known; and therefore it is not patentable. This argument would be sound if the combination claimed by Webster was an obvious one for attaining the advantages proposed,—one which would occur to any mechanic skilled in the art. But it is plain from the evidence, and from the very fact that it was not sooner adopted and used, that it did not, for years, occur in this light to even the most skillful persons. It may have been under their very eyes, they may almost be said to have stumbled over it; but they certainly failed to see it, to estimate its value and to bring it into notice—\* \* \*."

Both the Master and the District Court declared that the patented improvement shows nothing more than the product of a skilled mechanic.

Before a mechanic could *reconstruct* the earlier cable-lift mechanism, so as to make it operate *positively*

*and in unison* he had first to *perceive the necessity* for the change, and then to design the required *rebuilding* of the carrier.

In *Hobbs vs. Beach*, 180 U. S. 383, 393, the Court remarked that invention consists in *THE IDEA that the change could be made* rather than in making the necessary mechanical changes.

*What is defined by the term "MECHANIC"?* The definition is clearly stated in *Kimball Co. vs. Noesting Pinctaker Co.*, 262 Fed. 148, 150:—

"A mechanic is one who applies his trade by rule or rote and only uses what he learned yesterday to do the work of today in the same old manner. He may do it excellently, BUT if he has not only hindsight, but *insight and fore-sight*, first to comprehend the problem and use even the learning of yesterday to do the new thing in a new way, that mechanic has usually *earned the inventive title.*"

The same distinction between a "*mechanic*" and an "*inventor*" is pointed out in the case of *Hobbs vs. Beach*, just above cited, at Page 393. The construction there involved was the *reconstruction* of an old machine to change its mode of work, and it was there contended that the old machine suggested its *reconstruction* to any skilled mechanic. The Court said:—

"Would the thought enter the mind of the skilled mechanic with the Denniss and York devices before him on his workbench; and *if it did, would it not be a creative thought whose presence would convert the mechanic into an inventor?*"

There is no criticism of the doctrine announced in the cases cited by the District Court, but they have no application to a state of facts here involved.



The conclusion of the District Court on the evidence before it in effect *reverses* the "Benefit of Doubt" doctrine.

Without other prior art before it than such as considered by the Examiner of the Patent Office which prior art manifestly does not show anticipation of the combination described by Claim 4, the District Court set the judgment of the Patent Office aside.

In effect, the District Court, *placed the burden on the plaintiff to convince the Court* that the action of the Patent Office, in allowing Claim 4, was correct.

It is submitted that the decision of the District Court's finding of no invention in the combination stated by Claim 4 of the patent in suit is palpably wrong, and unjustly takes from the plaintiff its patent.



## II.

THE APPELLEES INFRINGED THE  
PLAINTIFF'S PATENT

The finding of defendants' infringement really presents no difficulty. As stated in Applicant's 13th point on Appeal (Tr. 797) :

"13. The District Court erred in failing to find as a conclusion of law that the combination of the load-lifting devices and automatic control thereof employed in the straddle-type carriers and manufactured and sold by defendant, Willamette-Hyster Company, and used by the defendant Clark-Wilson Lumber Company, are in principle of operation and result obtained identical with the combination set forth by claim 4 of the patent in suit, and constitute an infringement thereof."

There is no prior art from which plaintiff's patent is to be differentiated. As above pointed out, the prior cable-lift straddle-type carrier had neither load-lifting and lowering mechanism which operated positively and in unison, nor a control means limiting the lifting and lowering of the load to predetermined levels, nor an automatic brake.

And the control means of the wheel-mounted platform hoist did not suggest the building of a straddle-type carrier. As to this, there is no controversy.

*The combination described by claim 4 is broadly new and the District Court was without authority or justification to interpret the element specifying "automatic means" for moving the clutch to neutral position upon the movement of the load-lifting means to a predetermined extent in either direction as designating specifically a load-actuated up movement stop.*

By such interpretation the District Court wrongfully nullified the plaintiff's patent and exonerated the palpable infringement of the defendants.

## III.

THE DEFENSE OF LACHES AND  
ESTOPPEL IS WITHOUT BASIS

It will suffice to state here Points of Appeal 16, 17, 20 and 21 of those on which Appellant relies:

16. "Error of the Court in failing to find that there is no proof in this case that the delay of plaintiff in bringing suit on its patent was prejudicial to the defendant Willamette-Hyster Company or to defendant Clark & Wilson Lumber Company, in any way, and therefore defendants' plea of laches fails.

17. "The District Court erred in failing to find as a conclusion of law that mere proof of delay of plaintiff in bringing suit on its patent against the defendant Willamette-Hyster Company, who had direct knowledge thereof, and infringed the same in spite of such knowledge, unaccompanied by proof of some injury sustained or disadvantage suffered by defendants by failure to bring suit earlier, does not establish laches.

20. "Error of the Court in failing to find as a conclusion of law that plaintiff is entitled to a decree for injunction and accounting against both defendants.

21. "Error of the Court in denying the plaintiff all relief in the premises."

In short, the alleged Laches and Estoppel are devoid of proof.

The Plaintiff's patent is dated May 29, 1923.

When suit was brought the patent still had four years and about eight months to run. Plaintiff prayed for

injunction against further infringement, and an accounting for past infringement.

Though the plaintiff vigorously prosecuted this suit, it was hindered by the unfortunate state of the District Court's calendar, as above mentioned.

Not until about February 15, 1929, did the infringement by defendant, Willamette-Hyster Co. begin; then it bought out the carrier business of the Willamette Iron & Steel Co. (Tr. 595).

At that time that plaintiff had resumed the making and selling of "mechanical lift" carriers *exclusively*—first delivery was March 1929 (Tr. 228, 481, 953, 961).

*Defendants did not charge plaintiff with any conduct besides mere delay in the bringing of suit.* (Supra p. 33).

Plaintiff denied actual knowledge of the infringement by defendant Willamette-Hyster Company until shortly before this suit was commenced. The circumstances were that plaintiff's sale to an old customer was held up, because defendant Willamette-Hyster Company had insinuated that plaintiff was infringing upon a patent issued to Grab.

The Master stressed in his Report that in the face of the advertising, and competition, between defendant, Willamette-Hyster Company and plaintiff, it must be presumed that plaintiff had knowledge of Defendants' infringement. (Master's Report, Tr. 85)

Conceding this deduction to be justified, it does not prove more than harmless negligence in not suing earlier.

As said in *Taylor v. Sawyer*, 75 Fed. 301, 303 (C. C. A. 3rd.).

*"It has never been held that mere laches, unaccompanied by circumstances which amount to an equitable estoppel, shut out a party from all relief in a court of equity."*

"Knowledge of and long-continued acquiescence by a complainant in an infringement may, in special cases, be fatal on a motion for preliminary injunction, but will not, on a final hearing, prevent the court from granting such relief as may be just and equitable."

The court cited *Kittle v. Hall*, 29 Fed. 508, holding "while long acquiescence might defeat a bill for infringement, no precedent had been discovered for the dismissal of a bill for so short a period as seven years, and that the defendants had not been misled, but knew of the plaintiff's rights."

In *McLean v. Fleming*, 96 U. S. 245, 253, the court said:

"Equity courts will not, in general, refuse an injunction on account of delay in seeking relief, where the proof of infringement is clear, even though the delay may be such as to preclude the party from any right to an account for *past* profits."

The court also cited *Menendez v. Holt*, 128 U. S. 514, 523, in which it was held that,—

"Mere delay or acquiescence cannot defeat the remedy by injunction in support of the legal right, unless it has been continued so long, and *under such circumstances*, as to defeat the right itself. Hence, upon an application to stay waste, relief will not be refused on the ground that, as the defendant had been allowed to cut down half the trees upon the



complainants' land, he had acquired by that negligence the right to cut down the remainder. \* \* \* Acquiescence, to avail, must be such as to create a *new right* in the defendant. (Citation)—“*Where consent by the owner \* \* \* is to be inferred from his knowledge and silence merely, ‘it lasts no longer than the silence from which it springs; it is in reality no more than revocable license’.*”

The case of Taylor v. Sawyer was cited with approval in Ide v. Trorlicht, Duncker & Renard Carpet Co. et al., 115 Fed. 137 (C.C.A. 8th 1902,) the Court said: Page 148)

“The doctrine of laches is an equitable principle, *which is applied to promote, but never to defeat, justice.* \* \* \*

In the latter case the court called attention to certain dominant facts, which exist also in the instant case.

“There are no unusual circumstances, or conditions in this case which appeal to a court of equity. \* \* \* *Unreasonable delay and the deceitful acts, or silence,* of a patentee which induce an infringer to incur expenses or to become liable to losses and damages which he would not otherwise have suffered may sometimes justly induce a court of equity to stay his suit for an infringement or for an accounting before the time fixed by the analogous statute of limitations has expired. *But delay unaccompanied by such deceitful acts or silence* of the patentee, and by such facts and circumstances as practically amount to an equitable estoppel, will warrant no such action. \* \* \* It is no defense to a suit for an



injunction and an accounting on account of the *continuing* trespasses of an infringer that the latter has been trespassing on the rights of the patentee for years with impunity." (Authorities.)

The doctrine of *Taylor v. Sawyer*, 75 Fed. Super was applied in the case of *Beattie Mfg. Co. v. Smith*, 275 Fed. 164 (C.C.A. 2nd, 1921) in which the Court said: (Page 172)

"Mere laches *unaccompanied* by circumstances which amount to an equitable estoppel, will not shut out a party from all relief in a court of equity. On an application for a preliminary injunction, knowledge of the infringement and long-continued acquiescence therein may be fatal on a motion for such an injunction. However, on final hearing, it will not prevent the court from granting such relief as may be just and equitable."

In *Hamilton Beach Mfg. Co. v. P. A. Geier Co.*, 74 Fed. 2nd, 992 (C.C.A. 7th, 1934) at page 995. The court also called attention to dominant factors such as exist in the instant case:—

The proofs do not show much more than a lapse of considerable length of time, during which the plaintiff may have known of the infringement but did not press it. \* \* \* For the purpose of testing out that defense I would be willing to say here that *the means of knowledge of defendants' infringement were probably open to the plaintiff \* \* \**, but that is not a defense of laches. \* \* \* There is no showing that (*Appellant*) relied upon *Appellee's inactivity* in enforcing the patent or that it has been damaged thereby. \* \* \*

The defendants in the instant case emphatically answered NO when questioned as to whether the plaintiff is to be charged with more than failure "to act against makers and users of infringing carriers" (Tr. 36 and 43.)

In *Northern Pacific Railway Company v. Boyd*, 177 Fed. 801 (C.C.A. 9th)

This court said, (Page 823-4):—

"The doctrine of laches rests on equitable principles which are neither arbitrary nor technical, and what amounts to laches depends largely upon the circumstances of each particular case. The ultimate inquiry is on which side would fall the balance of justice in sustaining or denying the defense."

"Laches is not like limitation, a mere matter of time; but principally a question of the inequity of "permitting a claim to be enforced—an inequity founded upon a change in the condition or relations of the property or the parties."

And the court in the latter case called attention to a dominant factor which also exists in the case at bar:—

"It cannot be said in this case that the appellant has been prejudiced by the delay, in that it has thereby lost the evidence or means of proving the facts and the circumstances on which its defense on the merit depends."

There is no question here of prior invention, nor loss of evidence, affecting such issue.

The defendants' witness Grab is familiar with all facts and circumstances involved in this case.

In a very recent case, *Hartford-Empire Co. v. Swindell*, 96 Fed. 2nd, 227, 232, (C.C.A. 4th, 1938) the court found:—

“no merit in the defense of laches \* \* \* because there is no evidence that the delay in instituting suit has resulted in injury or prejudice to either of defendants, or that there has been such change in circumstances, as the result of such delay as would render it inequitable for plaintiff to be granted protection by injunction at this time with damages for past infringement. \* \* \*

In the same case the court further said: (P. 233)

*“The statute, since the amendment of March 3, 1897 limits the recovery of profits and damages to those arising from infringement committed within six years prior to the institution of suit 35 U. S. C. A. Sec. 90; and we know of no other period of limitation which can be invoked by an infringer to bar recovery. \* \* \** It is well settled that mere delay short of the statutory period of limitation is not sufficient of itself to bar relief. As well said by the late Judge Walter H. Sanborn in *Drum v. Turner*, 8 cir. 219 F. 188, 198, ‘It is no defense to a suit for injunction and an accounting on account of the continuing trespassing of an infringer that the latter has been trespassing on the rights of the owner of the patent for years with impunity’.”

The cases of *Woodmanse & Hewitt Mfg. Co. v. Williams et al.*, 68 Fed. 489, 492; and *Window Glass Machine Co., et al. vs. Pittsburgh Plate Glass Company*, 284 Fed. 645, 650, cited by the Master and the District

Court are respectively based on "*special circumstances*", but similar circumstances do not exist in the instant case.

*Woodmanse & Hewitt Manufacturing Co. v. Williams*, was distinguished, in the case of *Mills Novelty Company v. Monarch Tool & Mfg. Co.*, 49 Fed. 2nd, Page 28, C.C.A. 6th, 1931, in which the Court said:

"The right to an accounting of damages in equity is given by the statute in a permissive way. The court of equity will exercise its discretion in granting an accounting as well as in passing upon a preliminary injunction, and will consider all the respective equities of the parties. This is well settled; *but for refusing an injunction upon final hearing when the patent has still a substantial term to run, when the legal title to the monopoly and its infringement by defendant have been finally established and when there has been no misleading of defendant, akin to fraud, we find no precedent in the Supreme Court or in this court.*"

*The infringement of defendant Willamette-Hyster Co., consisted of a series of acts—the making and selling infringing carriers within the six-year period.*

The infringement did *not* consist of a single continuous act—like the building of special apparatus installed for more than the 6-year limitation prescribed by the Patent Statute previous to suit.

*Some of the sales made by Willamette-Hyster Co. were just shortly before this suit was brought; and the infringement was thereafter continued; defiantly, until the very day this case was tried.*

\* \* \* \*

The case of *Gillons et al. v. The Shell Co., et al.*, de-



cided by this Court (86 Fed. 2nd 600) although presenting an entirely opposite state of facts than existing in the instant case, harmonizes and exhaustively and comprehensively defines the equitable principles involved in questions dealing with laches and estoppel.

As said in *Menendez v. Holt*, 128 U. S. 514, 514,—

“So far as the act complained of is completed, acquiescence may defeat the remedy on the application of the principle applicable when action is taken on strength of encouragement to do it, but *so far as the act is in progress and lies in the future*, the right to the intervention of equity is not generally lost by previous delay, in respect to which the elements of an estoppel could *rarely* arise.” \* \* \*

And now let us inquire what were the circumstances in the instant case in which the District Court found justification for refusing the plaintiff all relief.

The Master stressed in his report: (Tr. 85)

That the plaintiff by its delay in bringing suit—

“*permitted the Willamette-Hyster Co. to invest large sums of money in plans, equipment, in the manufacture of its carrier.*”

*He omitted calling attention to the fact that these included*

*“plant equipment, materials, labor and development work,”*

(Tr. 36)—the inevitable, normal expenses of any manufacturing enterprise, especially when manufacturing large-sized machines, as here involved.

*Is it not to be assumed that these expenses were fully taken into account when defendant Willamette-Hyster Co. fixed the prices of those 300 carriers which it sold?*



Similar circumstances as here involved were considered by this Court in *Columbia Graphophone Co. vs. Searchlight Horn Co.*, 236 Fed. 135, 139, in which the court said:

“In brief, the answer alleges that because the appellee knew of the alleged infringement, and when the appellant and other refused to desist infringement \* \* \* the present suit is barred by the appellee’s laches. \* \* \* There is no evidence in the case that the appellant relied on the conduct of the appellee and its predecessors in interest, or was thereby induced to spend money to its injury or change its position for the worse. It does not follow \* \* \* that horns were not sold to customers at such a price as to yield a profit to the appellant, even after they have paid royalties thereon to the appellees. \* \* \* The owner’s delay was accomplished by no act to induce the appellant to believe that its infringement was acquiesced in, and by no act which amounts to estoppel.”

P. 140: The bare fact that the appellant and others with full knowledge of appellee’s claim, trespassed upon the rights of appellee for years, is no defense to a suit for an injunction and accounting for the trespass.”

The facts to which defendant, Willamette-Hyster Co. chose to testify were merely *that they sold 300 carriers* which brought it \$2,000,000.00. This fixed the average price of \$6,666 per carrier—more than the price of the Ross carrier (Tr. 572) and more than the price of plaintiff’s carriers (Tr. 401).

*No testimony was given as to what the equipment was which the defendant Willamette-Hyster Company had to use in order to manufacture the infringing straddle-type carriers.*

These facts unquestionably are vital to defendants' defense of laches and estoppel. Why did it withhold the facts?

The market for straddle-type carriers was initially definitely narrow (Grab, Tr. 583). Probably such condition of the market caused the Willamette Iron & Steel Co. to sell its carrier business to defendant, Willamette-Hyster Company.

The question arises, "*When did the market improve?*" This also had direct bearing on the question, *what part of the 300 carriers did the defendant, Willamette-Hyster Co. manufacture and sell, and when did the sales take place?*

It is to be recalled that defendant Willamette-Hyster Co. did not buy out the rights of Willamette Iron & Steel Co., and thus did not begin manufacturing its carriers until about February 15, 1929. Probably the greater part of the 300 carriers which defendant Willamette-Hyster Co. sold was *sold within the six-year limitation.*

Defendant, Willamette-Hyster Co. alone had these facts in its possession. Why withhold these facts? The fair inference is, had the facts been given they would not have been favorable to defendants' contention.

The effect of defendant's, Willamette-Hyster Co.'s, plea of laches is, that since it, and its predecessor, were permitted by plaintiff's delay in bringing suit, to sell

300 carriers, it ought not now be forbidden to continue this business.

This plea is met by analogy with the familiar quotation cited in *Menendez v. Holt*, (128 U. S. 514, 523, *supra*)

“Upon an application to stay waste, relief will not be refused on the ground that as the defendant had been allowed to cut down half the trees upon complainant’s land, he acquired by that negligence the right to cut down the remainder.”

The defendant Clark & Wilson Lbr. Co., the Master said (Tr. 85) is chargeable only with *constructive notice of plaintiff’s patent*. But the plea of *unintentional infringement* of a patent, if to have any force, must be accompanied by a *promise to desist further infringement*. In the instant case the defendant Clark & Wilson Lbr. Co. remained silent. It offered neither excuse nor explanation, nor promises to desist. Instead, it allied itself with defendant Willamette-Hyster Company to obtain acquittal for its trespass by *pleading justification*, based on plaintiff’s failure to bring suit earlier.

The extreme deduction which can be made from plaintiff’s dilatoriness is, it implied a license to use plaintiff’s patent. This license however was revokable, and it was revoked by the bringing of this suit (*Menendez v. Holt*, 128 U. S. 524). From thenceforth both defendants became accountable for their defiant infringement.

The Master reported that since he found no infringement, he considered the question as to the rights of plaintiff to injunction against defendants’ further infringement to be academic (Tr. 86).

But the District Court held:

“Whether or not there was infringement still laches is a complete bar.” (Tr. 142)

And by its conclusion of law No. 11, found the plaintiff

“is guilty of laches for its long neglect to assert any right against these defendants and is barred from any recovery in this suit.” (Tr. 159)

Finally, the District Court makes the following statement in its opinion (Tr. 142):

“It is, however, *in the interest of the public that as much of the art as possible be released from monopolistic control*. While the character of the patent is such it is possible to lock up new developments, damage occurs to the public if another person is permitted over a series of years to place the devices upon the market, while a patentee sits idly by and takes no action.”

While this statement is not quite clear, the point of view taken by the District Court is out of harmony with the theory upon which our entire patent system is founded, that the granting of exclusive rights, for a limited period, to the inventor as a reward for his efforts and contribution, has a *beneficial objective* for the general public in encouraging and promoting progress in the arts.

\* \* \* \* \*

THE RECORD OF THIS CASE IN ITS ENTIRETY MANIFESTS THE INJUSTICE OF THE LOWER COURT'S DECREE.

I. It takes from plaintiff its patent, holding it invalid, not because the invention was anticipated by a structure having the same purpose and effect, but be-



cause the Court was unable to CONCEIVE why it required invention to make the old cable-lift carrier *dependably* operable—something which the District Court assumed any skilled mechanic should have done, but yet was not previously done; and when accomplished by Gerlinger was immediately copied in the Ross carrier, and in the 300 carriers which the defendant Willamette-Hyster Company and its predecessor made and sold.

It is the function of the Patent Office to pass on the inventive character of the improvement for which a patent is solicited. The record here shows that the Examiner of the Patent Office gave the patent claim in question very careful consideration, considered specifically the prior art on which defendants rely, but held that this prior art did not anticipate. The presumption of correctness which attaches to the judgment of the Examiner of the Patent Office is not overcome by contention, or even proof that the question of invention involved is debatable. If debatable the patentee must be given the benefit of the doubt.

II. The lower court in order to avoid holding the patent claim invalid narrowed it by reading into it a specific construction which the plaintiff discovered to be impractical and abandoned after trying out its first carrier; and upon such unwarranted reformation of the patent claim the court held that the defendants did not infringe.

III. The District Court's final conclusion is out of harmony with the settled principle governing laches and estoppel. Not only did the Court deny recovery for defendants' infringement prior to the institution of this



suit, but denied plaintiff *all* relief; held it was *barred* from all aid of the Court, because it had permitted defendants' piracy for some years without bringing suit. And this, *notwithstanding there was no proof of injury or prejudice* to either defendants; the proof shows that the defendants *defiantly* continued their infringement after this suit was instituted; and it is to be presumed, from the evidence introduced and the evidence withheld, that the infringement by defendant Willamette-Hyster Company was greatly to its advantage.

It is submitted that justice and equity require that the decree of the District Court be reversed; that the validity of plaintiff's patent be sustained, that both defendants be enjoined from further infringement, and that they be required to give an accounting for their infringement.

Very respectfully,

THEODORE J. GEISLER,

Attorney for Appellant.

